Transforming Δ into α:
New Tool, *New* Rules, New Orleans

October 16th | New Orleans, LA

Bret Swango, CFA
SVP – Head of Location Intelligence & Workforce Analytics

Colliers
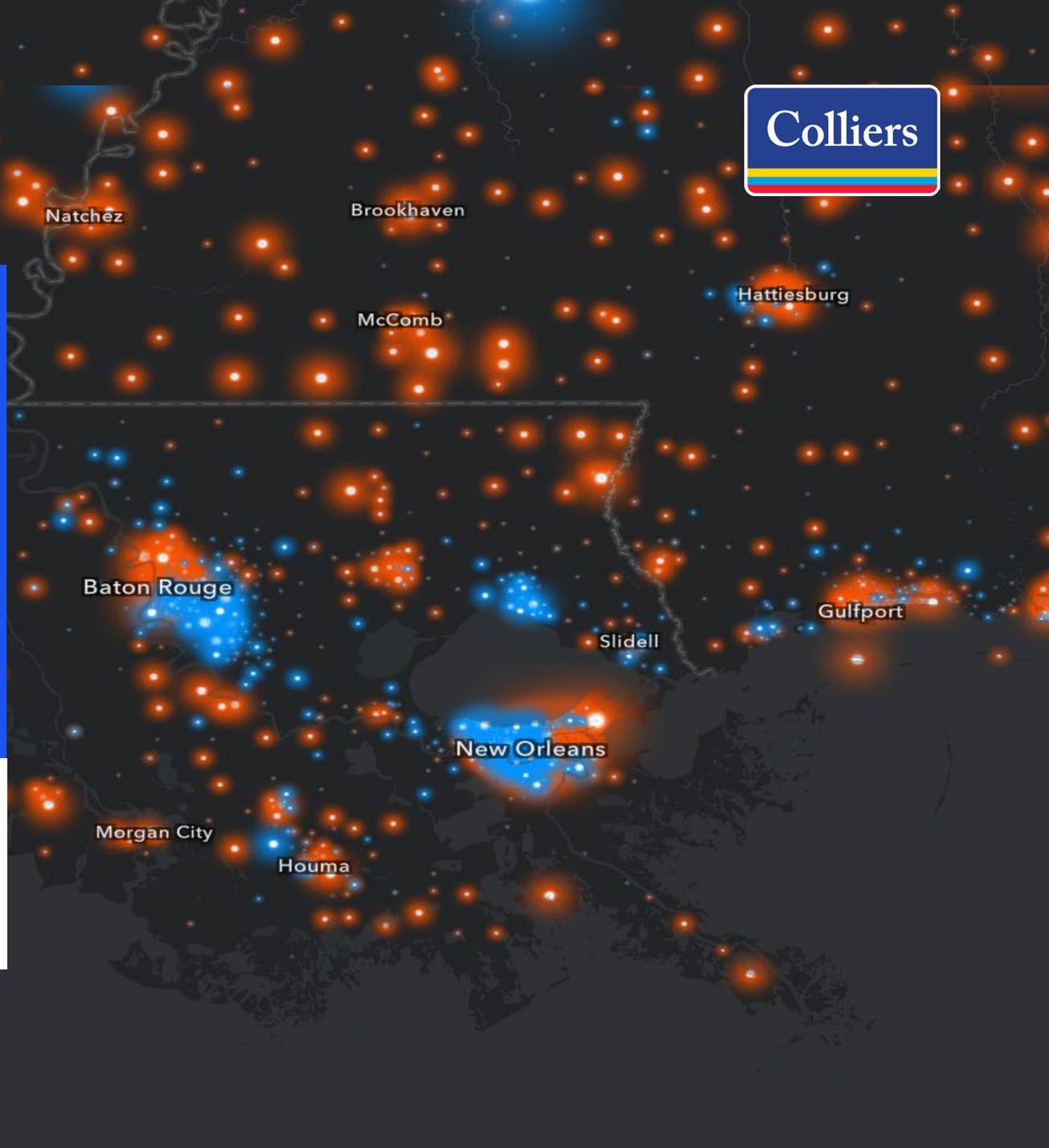
Agenda

› Introduction & Context

› The Most Dangerous Thing

› *New* Tools

› *New* Rules

› New Orleans

Uncertainty is the "New Normal"

U.S. Economic Policy Uncertainty

Source: Economic Policy Uncertainty Index
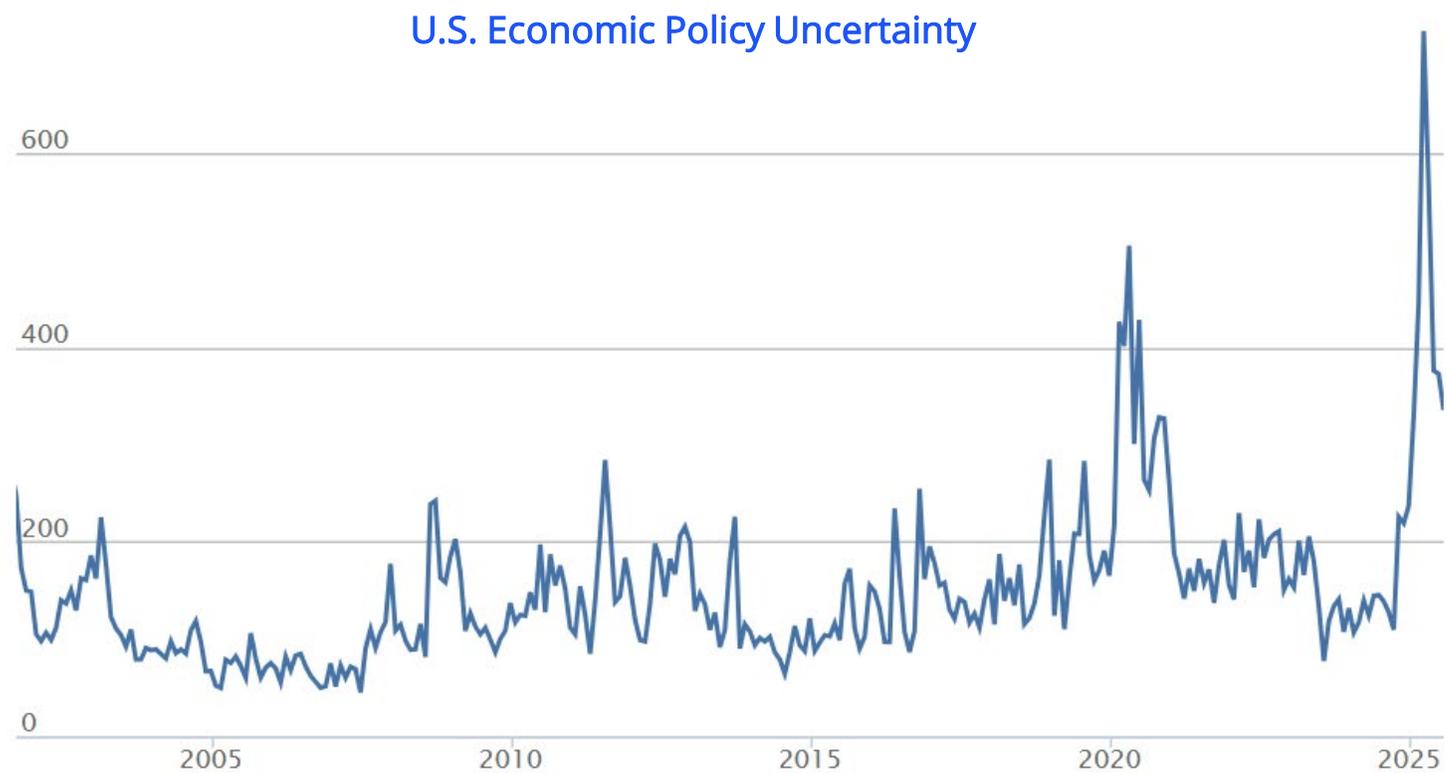
"The most dangerous thing in business is finding
the right answer to the wrong question."

- Peter Drucker

New Tools & New Rules

Higher for Longer Interest Rates

Deglobalization

Artificial Intelligence

Shifting Demographics

Energy Transition

Macroeconomic volatility and inflation are key concerns of CEOs
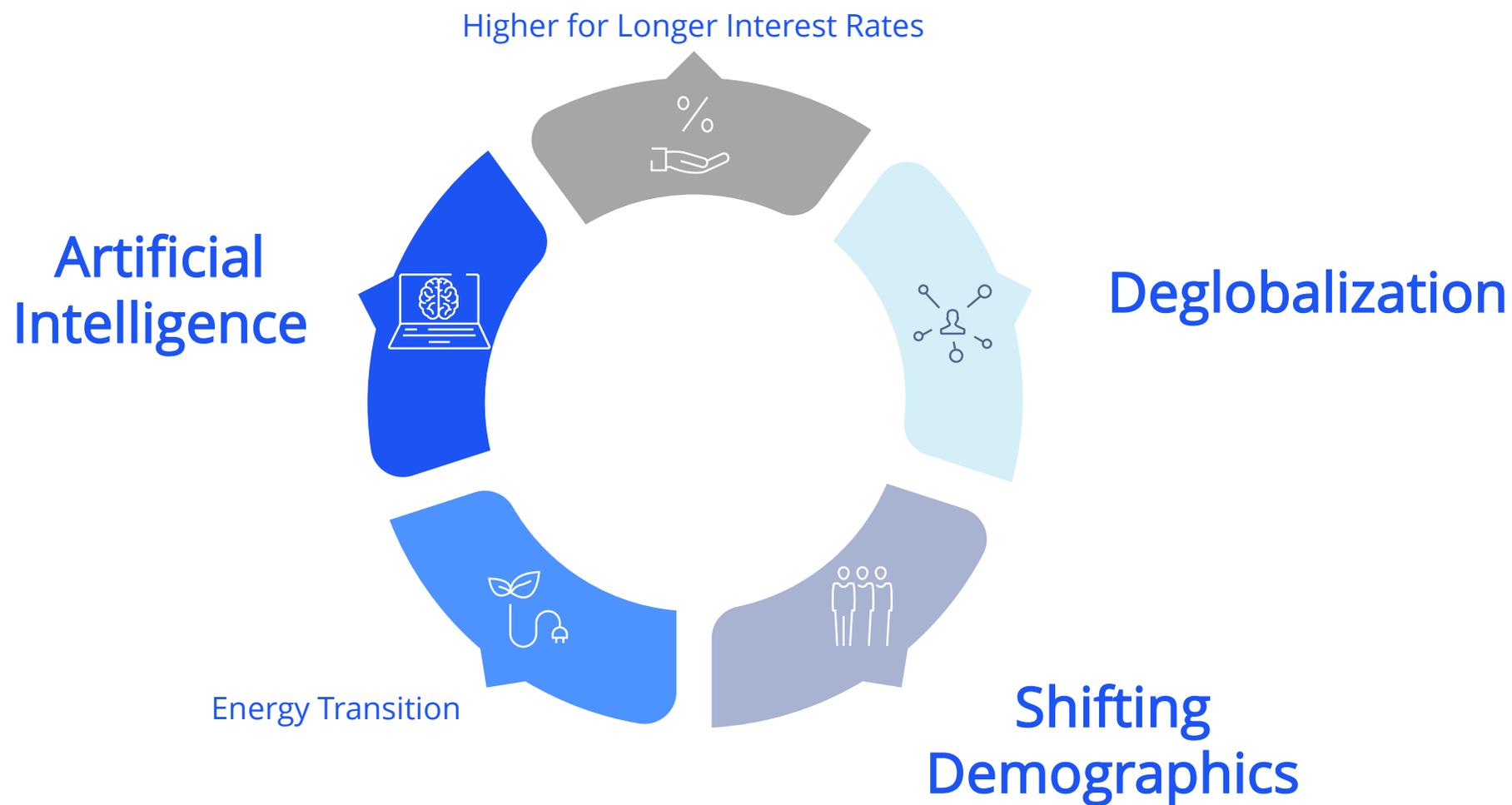
CEO Survey Response: "How exposed do you believe your company will be to the following key threats in the next 12 months?"

Threat	Percentage
Macroeconomic volatility	29%
Inflation	27%
Cyber risks	24%
Lower availability of workers with key skills	23%
Geopolitical conflict	22%
Technological disruption	20%
Climate change	14%
Social inequality	7%
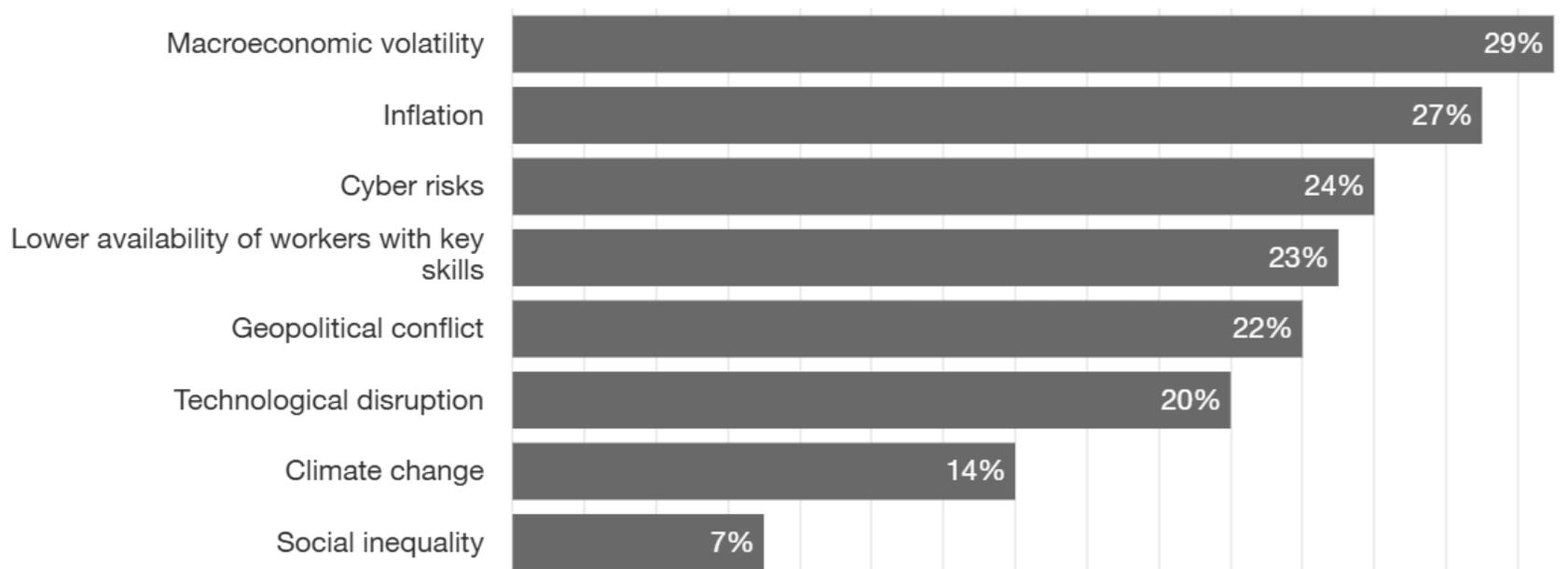
Note: Exposure is the probability of significant financial loss.
Source: PwC's 28th Annual Global CEO Survey

The Tools

"AI could have implications for humanity that are more profound than electricity or fire."

- Sundar Pichai, Alphabet CEO

AI is scaling in a non-linear manner

Chamath Palihapitiya · 2nd
CEO at Social Capital
6mo · Edited · 🌐

+ Follow

Here's some AI "math" from today's baseline:

- Chips improve by 2x next year
- Models improve by 2x next year
- Capex scales capacity by 10x next year

This means that whatever you see today will be ~40x better in a year and another ~20-40x better a year after that.

So we can expect an ~800-1,600x improvement by 2026.

What *won't* be possible is probably the better question.

"I think we really are on the edge of probably the biggest technology revolution that has ever existed.... The artificial intelligence compute coming online appears to be **increasing by a factor of 10 every six months."**

- Elon Musk

The pace of scaling in AI in historically unprecedented

AI's coding ability increase

70%

3%

2023   2024

Drug target hypothesis testing

200

20

2023   2024

Source: Ark Invest

New Tools & New Rules

Source: Ark Invest

The pace of scaling in AI in historically unprecedented

AI Monetization Is Outpacing Social Media

Legend: OpenAI, Instagram, Facebook, TikTok, YouTube, WeChat

Y-axis: Revenue ($ Billions) — $0, $1, $2, $3, $4, $5, $6, $7, $8, $9, $10

X-axis: Years Since Product Launch — 5, 10, 15

Source: Ark Invest
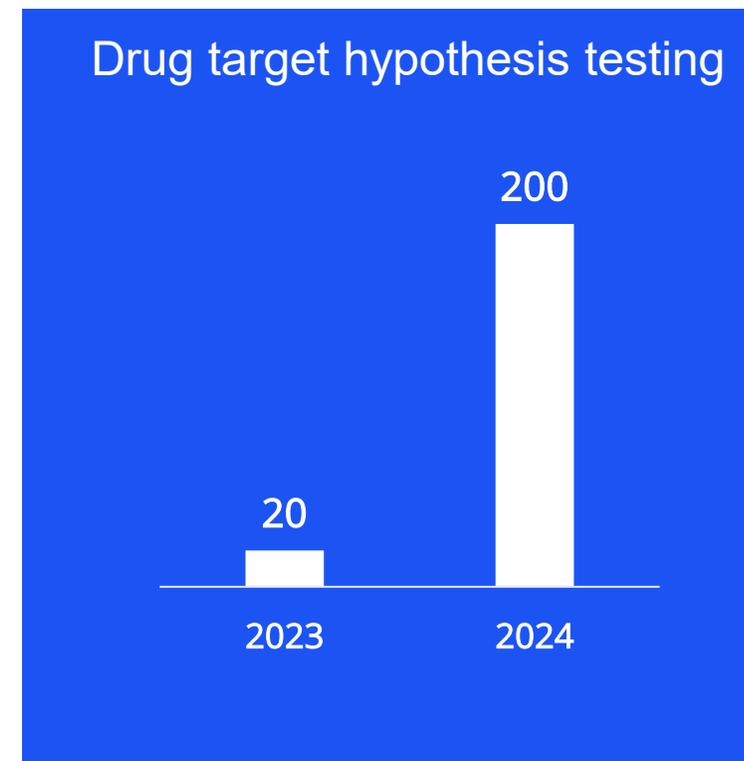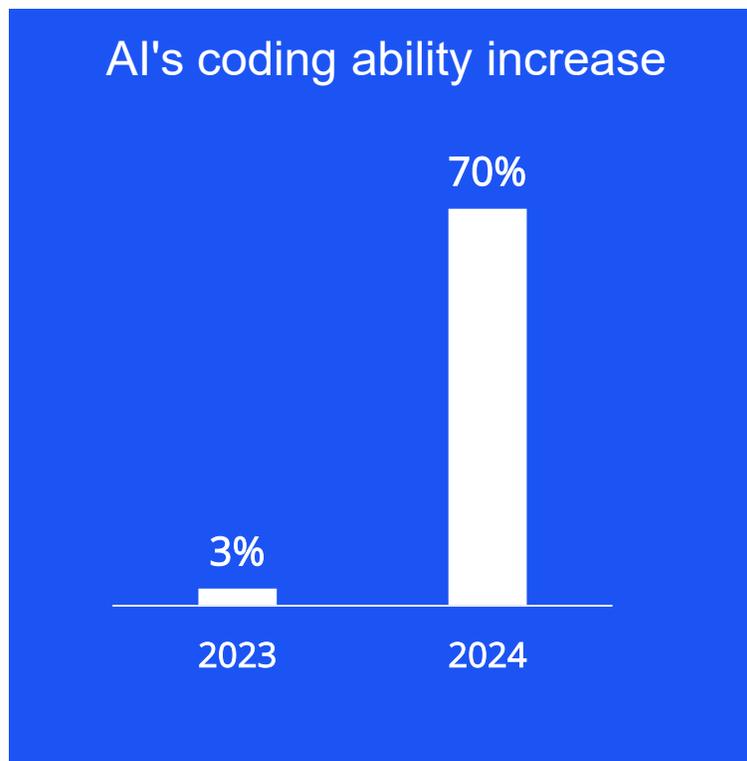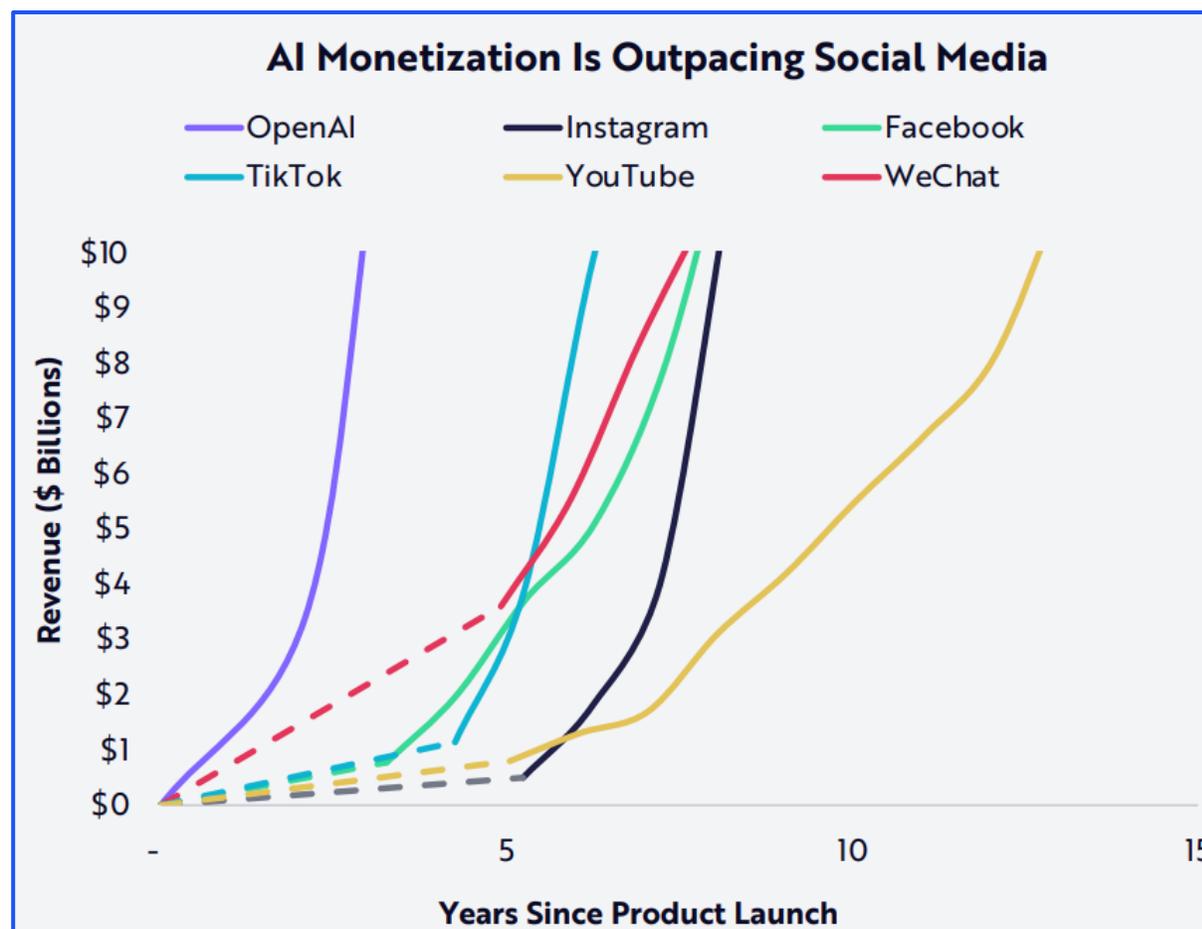
The global market for AI is exploding

Value of the Global AI Market in $ Billions

Source: Statista
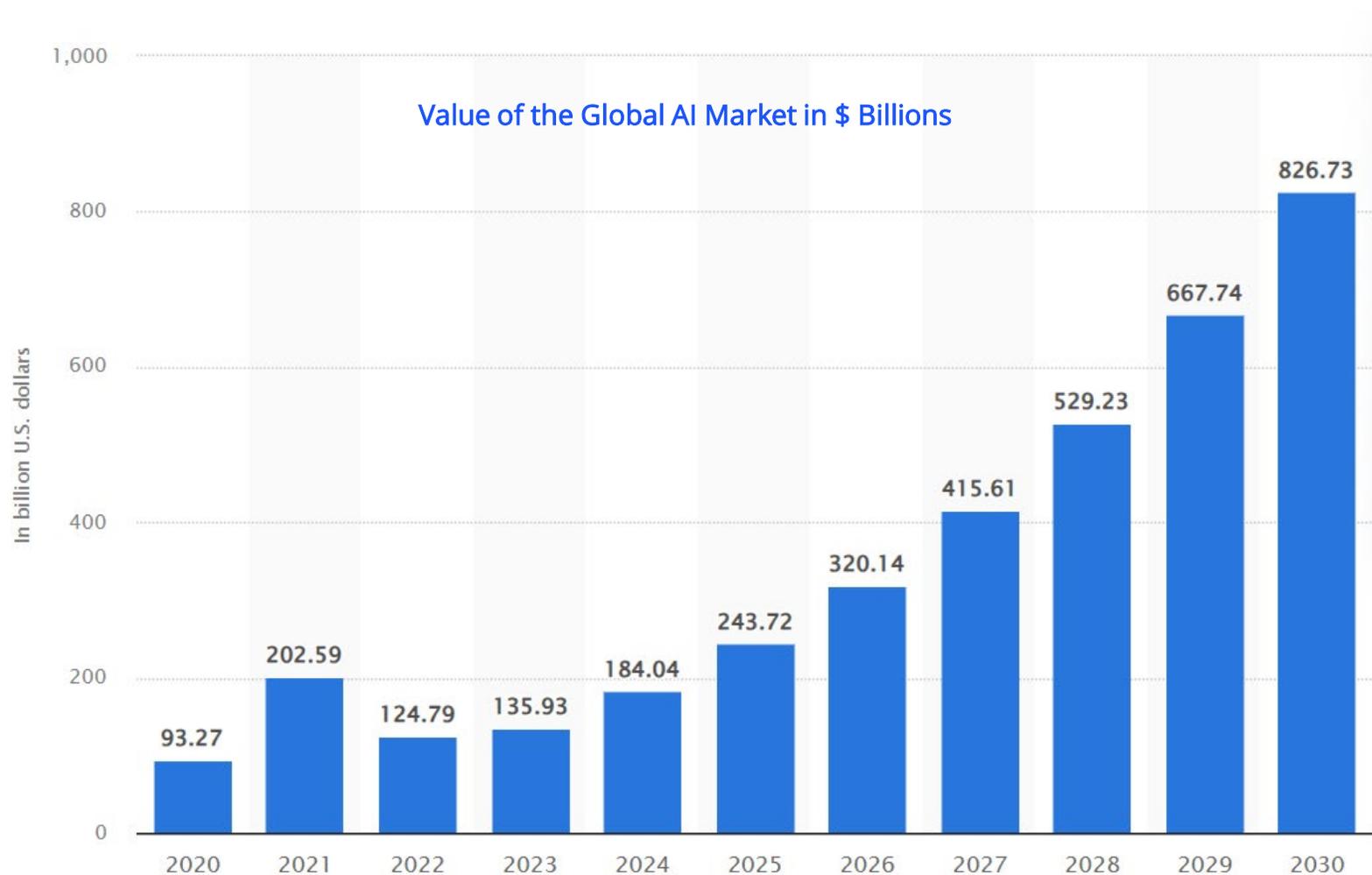
Power demand is expected to grow between 3-6x over the next 6 years relative to what it has since 2000

U.S. Electricity Consumption: 2000-2023

SOURCE: *U.S. Energy Information Administration*

Total US power consumption is projected to grow 3% YOY from 2024-2030, with 2030 consumption ~800 TWh/year greater than in 2024

Estimated total US projected energy demand (TWh)

2024	2025	2026	2027	2028	2029	2030
4,300	4,300	4,500	4,600	4,800	4,900	5,100

US annual power consumption in 2030 projected to increase by **~800 TWh** compared to 2024

Source: U.S. Energy Information Administration

National Peak Demand Forecasted Growth has Gone Up 5X

5-year Nationwide Growth Forecast

2029 Summer Peak Demand Growth (GW)

- 2022 FERC Forecasted Peak Demand: 840 GW — 23 GW
- 2023 FERC Forecasted Peak Demand: 859 GW — 39 GW
- 2024 FERC Forecasted Peak Demand: 929 GW — 67 GW, With Updates: 120 GW
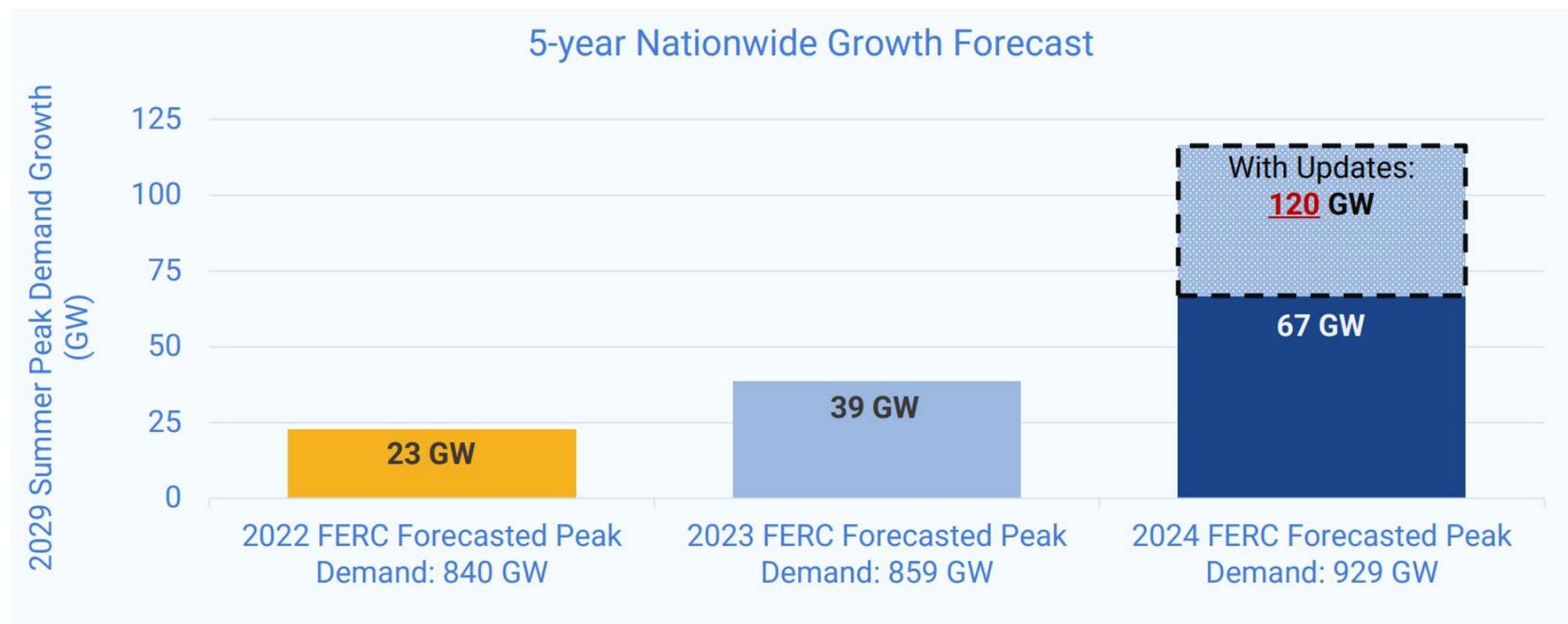
"Power is the new labor."

Blackstone is predicting even more dramatic growth

New Tools & New Rules
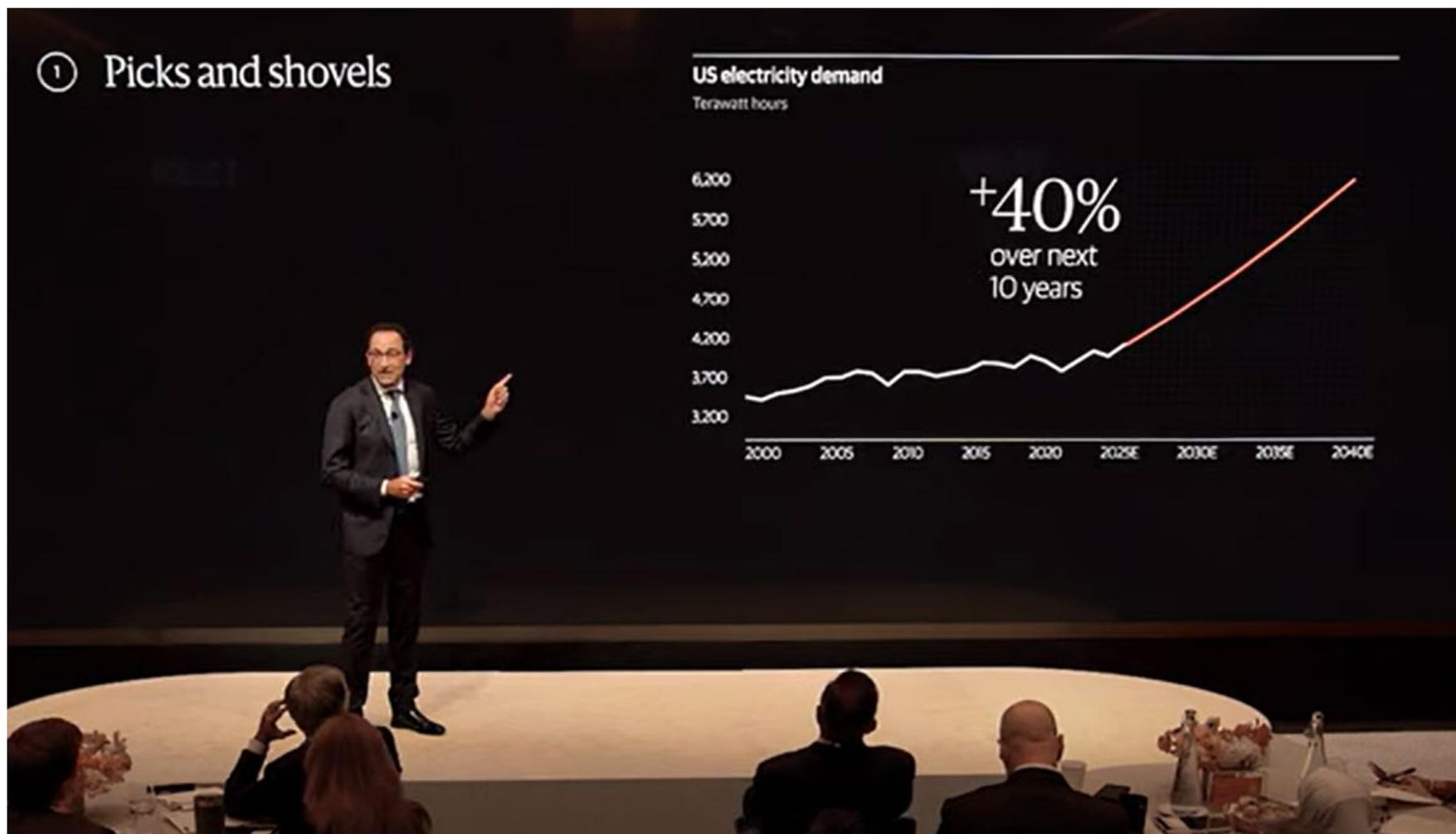
ERCOT and PJM Territories are Driving Growth in Demand

SPP | Load growth is dispersed, with current growth focused in oil and gas producing regions (NM, ND) and near-term data center growth (OK, MO)

6 GW

Pacific Northwest
Data centers and chip fabrication plants driving growth

7 GW

MISO | Relatively low growth rate, but makes the "top six" by virtue of its size, with manufacturing and data centers contributing to forecast demand

7 GW   9 GW

25 GW

PJM | Load growth driven by data centers in Northern Virginia, also some data centers (PA) and manufacturing (OH)

30 GW

12 GW   8 GW

Georgia Power | Load growth driven by data centers in Atlanta region and some manufacturing

47 GW   18 GW

ERCOT | Load growth driven by data centers in Dallas-Ft. Worth region, also some oil and gas production

GridStrategies

Data Center activity is concentrated in a few core markets but increasingly flowing to anywhere with power
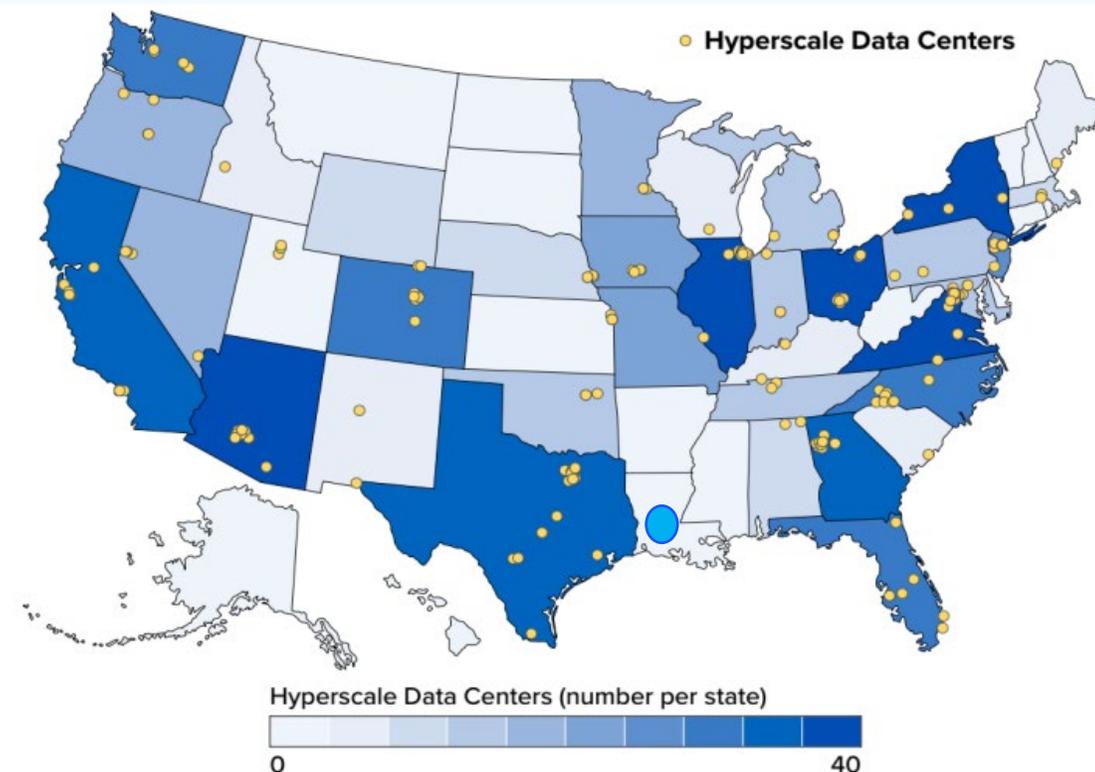

Primary Markets

Market	Market Size (MW)	Absorption (MW)	Vacancy Rate
Atlanta, GA	2,010	898	0.63%
Chicago, IL	1,100	450	1.03%
Dallas, TX	1,600	172	1.77%
Phoenix, AZ	2,050	507	1.29%
Northern California	810	794	3.41%
Northern Virginia	5,350	925	0.26%

Number of Hyperscale Data Centers by State (Through 2023)

Hyperscale Data Centers (number per state)

0   40

SOURCE | EPRI, Powering Intelligence (May 2024).

Industrial has new competition

How it started - $35M
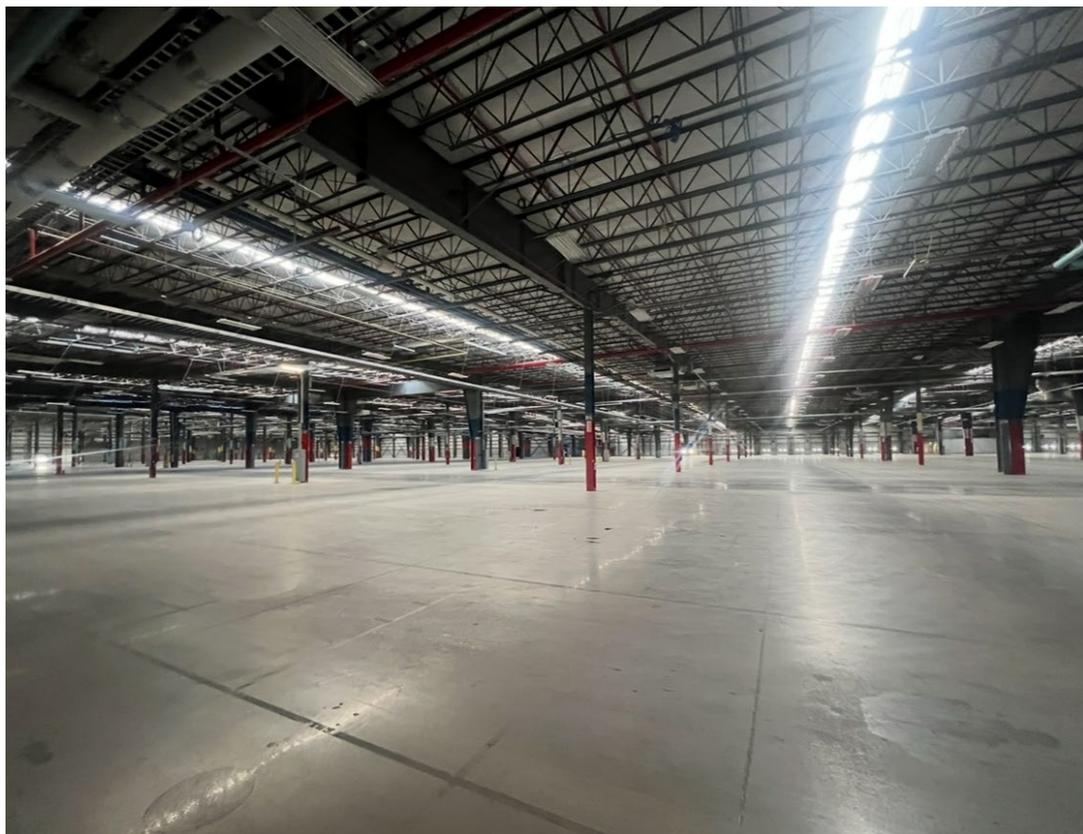
How its going - $3B

White collar workers are the most likely to be impacted by AI

What shares of workers are most exposed to AI in their jobs?
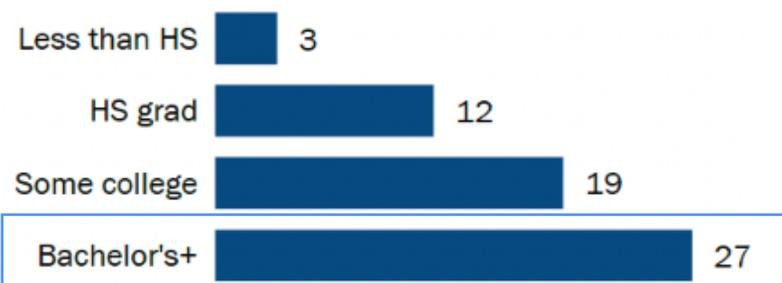
% of U.S. workers employed in jobs that are the most exposed to AI in 2022

Less than HS	3
HS grad	12
Some college	19
Bachelor's+	27

Displacement by industry in 2032

| Industry	%
Information	40%
Professional, Scientific, and Technical...	30%
Finance and Insurance	24%
Management of Companies and Enterprises	18%
Real Estate and Rental and Leasing	9%
Health Care and Social Assistance	8%
Manufacturing	7%
Educational Services	7%
Retail Trade	7%
Administrative and Support and Waste...	6%
Utilities	6%
Wholesale Trade	6%
Federal, State, and Local Government,...	5%
Arts, Entertainment, and Recreation	3%
Transportation and Warehousing	3%
Other Services (except Public...	3%
Accommodation and Food Services	3%
Mining, Quarrying, and Oil and Gas...	3%
Construction	2%
Agriculture, Forestry, Fishing and Hunting	1%

Source: Pew Research Center

The paradoxical impact of AI on labor

Fastest-growing and fastest-declining jobs, 2025-2030
Top jobs by fastest net growth and net decline, projected by surveyed employers
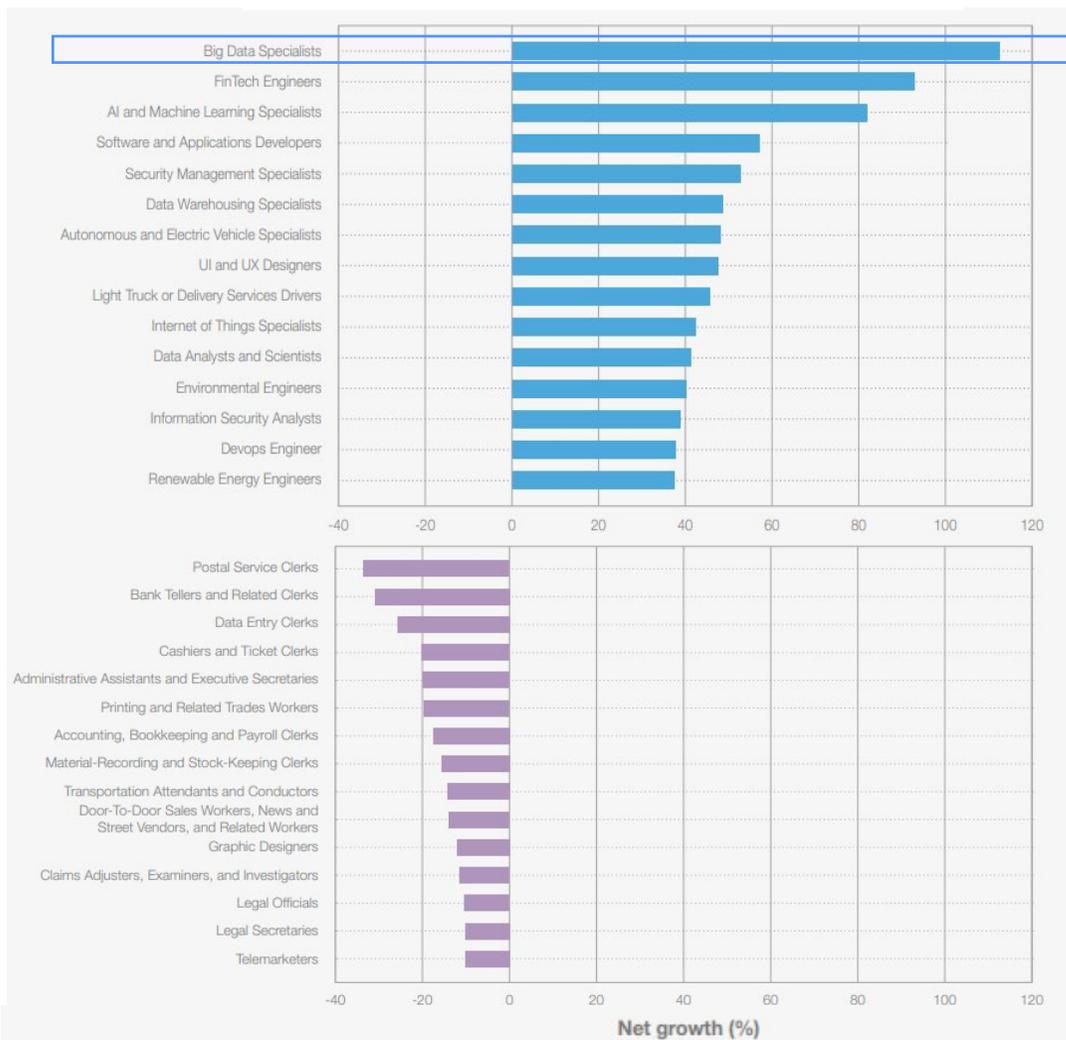
Current capacity for substitution by Generative AI, by skill group
Capacity of GenAI substituting a human in performing a given skill as a percentage share of all granular skills within each skill group.
Analysis based on GPT-4o, with over 2800 granular skills from the Indeed database as of August 2024.

Source: World Economic Forum
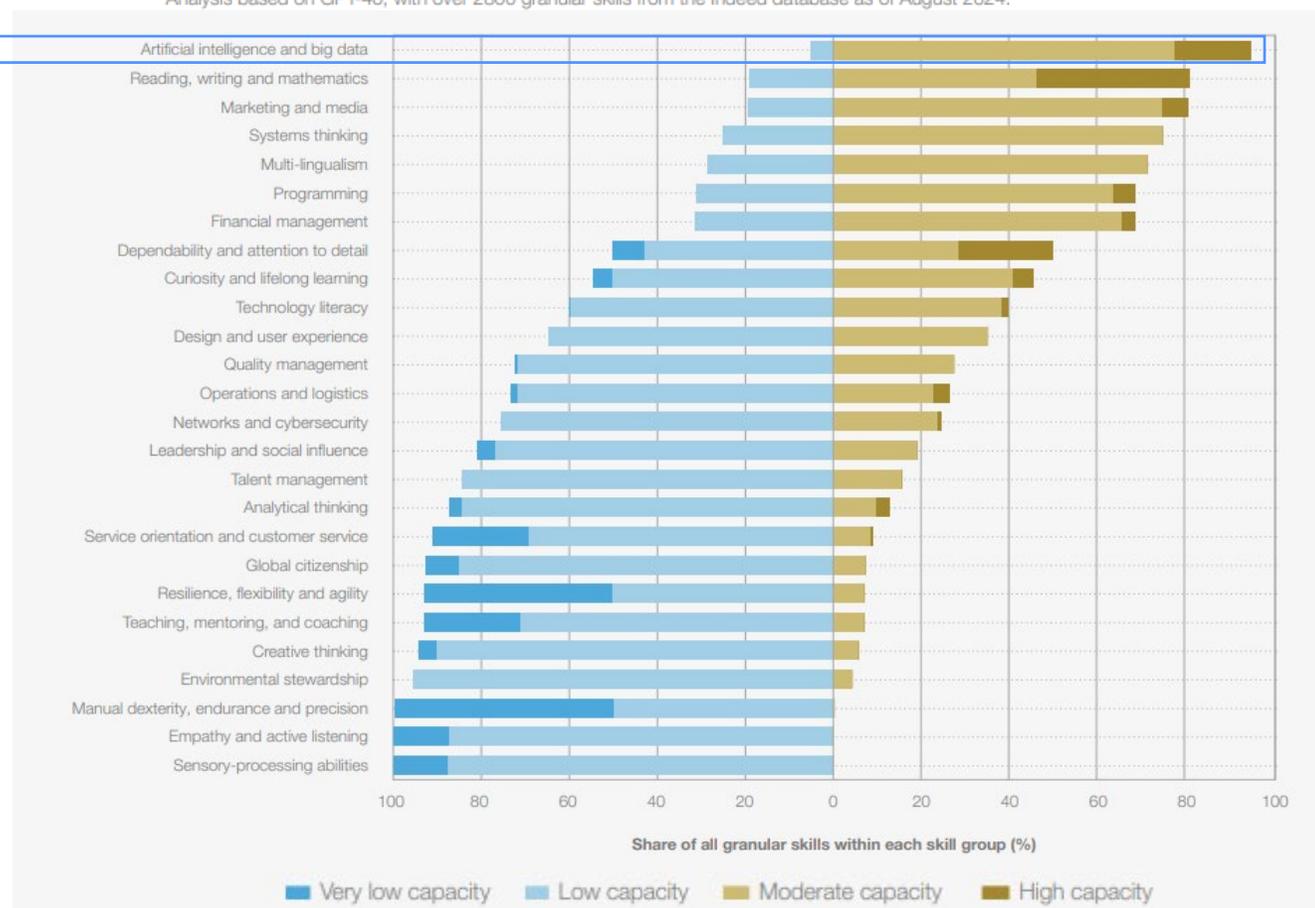
The Bay Area and Several Top University Towns (including Ann Arbor) are Hotbeds for AI Talent
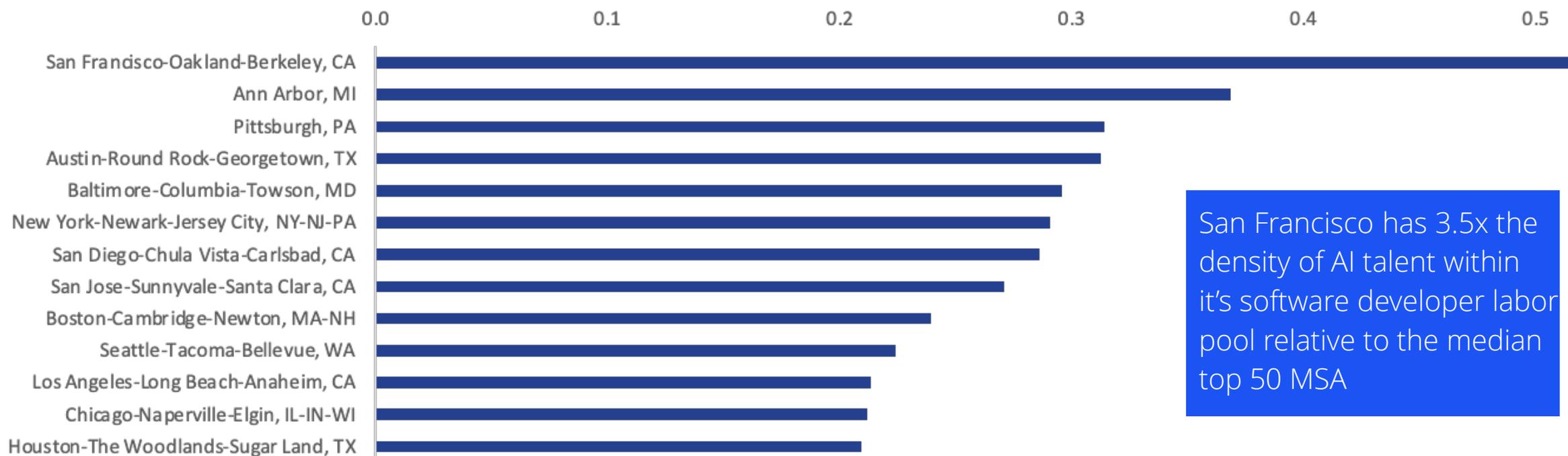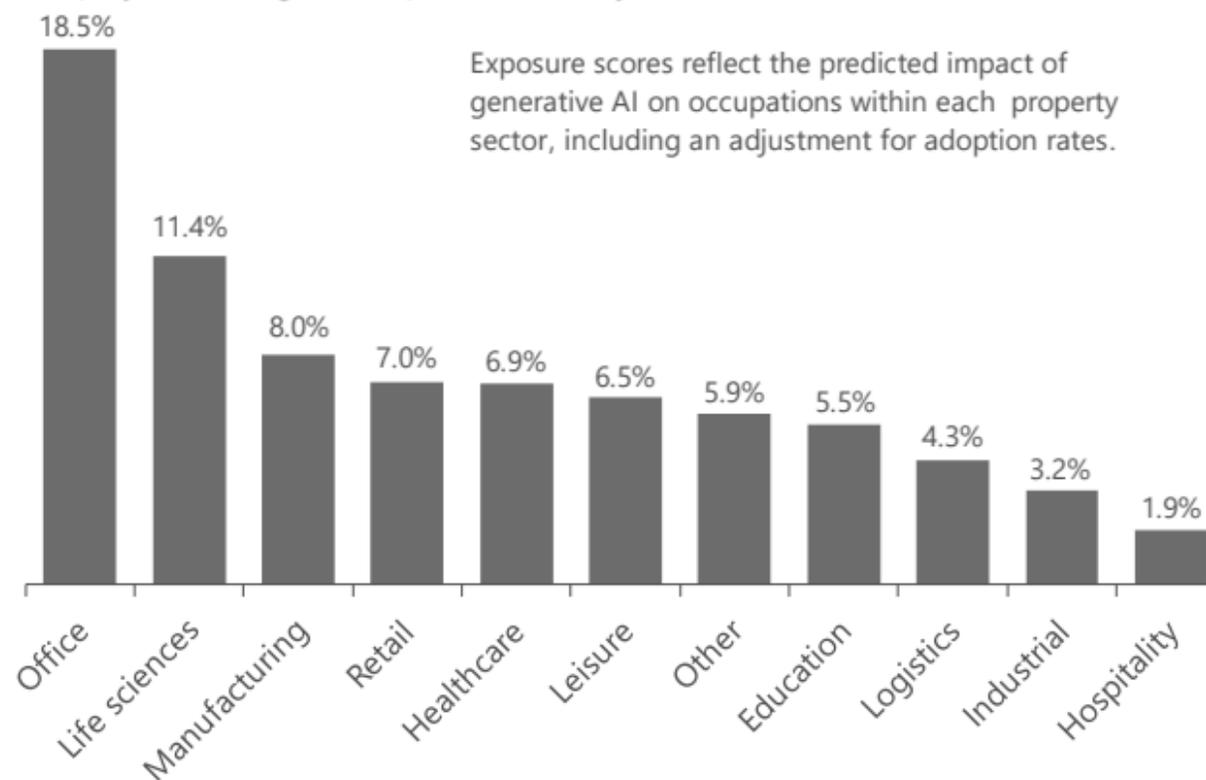

San Francisco has 3.5x the density of AI talent within it's software developer labor pool relative to the median top 50 MSA

*Data for top 50 cities by profiles with Artificial Intelligence skills
**Cities were condensed into MSAs (ex. both Boston, MA & Cambridge, MA were combined into Boston-Cambridge-Newton, MA-NH)

The office property sector is poised for the highest level of AI exposure

US: Generative AI exposure by property sector

Employment weighted exposure score by 2032

Exposure scores reflect the predicted impact of generative AI on occupations within each property sector, including an adjustment for adoption rates.

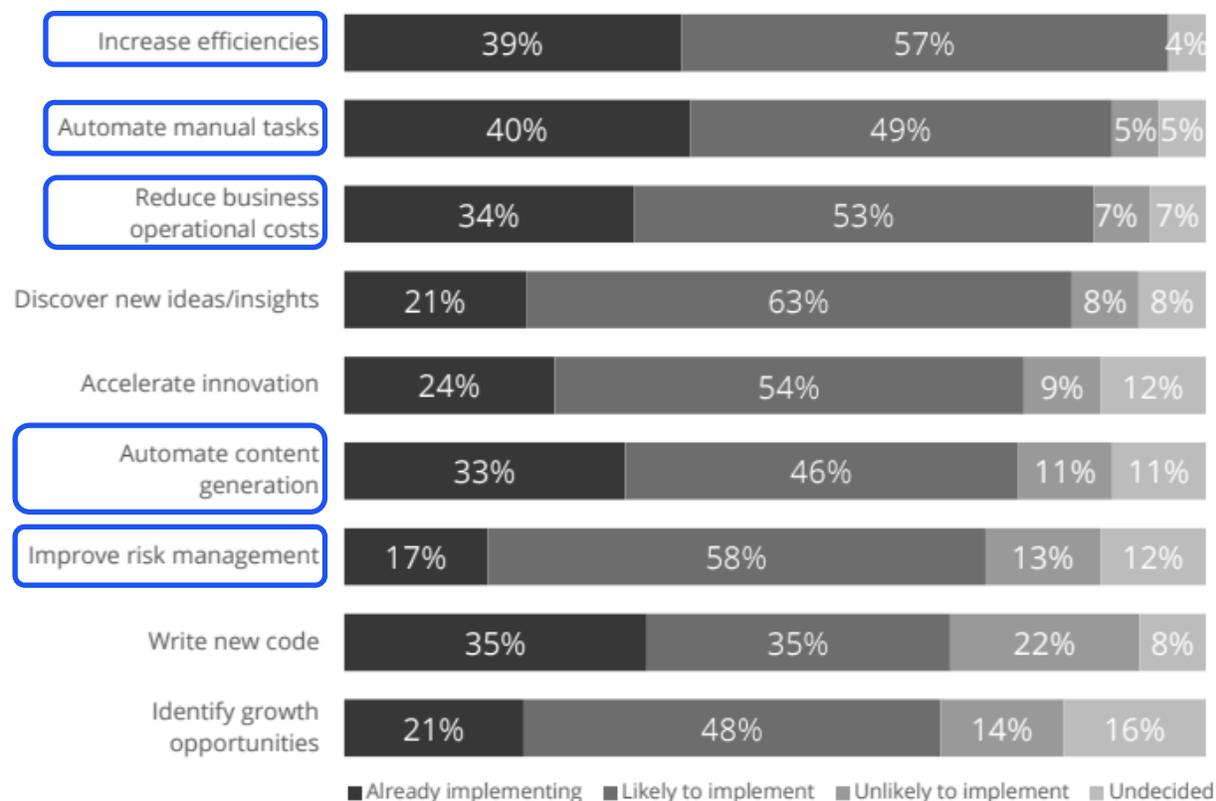| Sector	Score
Office	18.5%
Life sciences	11.4%
Manufacturing	8.0%
Retail	7.0%
Healthcare	6.9%
Leisure	6.5%
Other	5.9%
Education	5.5%
Logistics	4.3%
Industrial	3.2%
Hospitality	1.9%

New Tools & New Rules

AI's rapid adoption is driven by cost efficiency rather than growth

To what extent is your organization currently planning to implement Generative AI to improve how you do business:
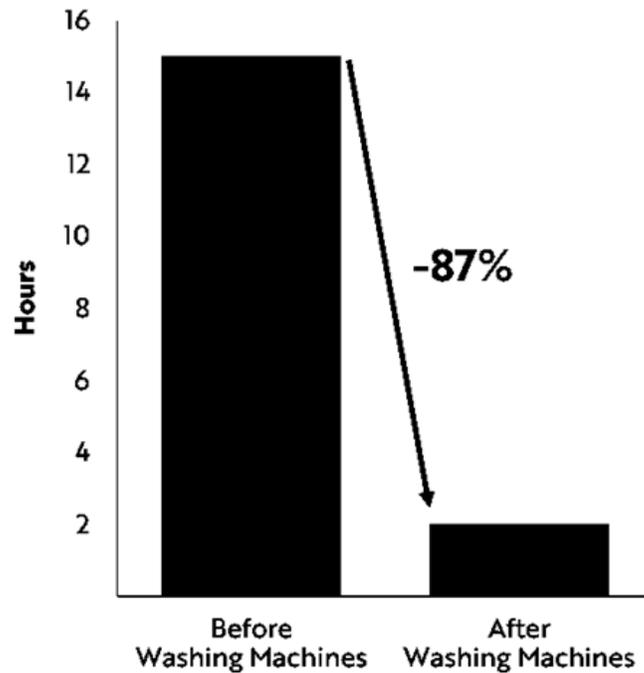
Cost Emphasis

	Already implementing	Likely to implement	Unlikely to implement	Undecided
Increase efficiencies	39%	57%		4%
Automate manual tasks	40%	49%	5%	5%
Reduce business operational costs	34%	53%	7%	7%
Discover new ideas/insights	21%	63%	8%	8%
Accelerate innovation	24%	54%	9%	12%
Automate content generation	33%	46%	11%	11%
Improve risk management	17%	58%	13%	12%
Write new code	35%	35%	22%	8%
Identify growth opportunities	21%	48%	14%	16%

■ Already implementing ■ Likely to implement ■ Unlikely to implement ■ Undecided

Robotics have a history of boosting productivity and transforming industries

Time To Do Laundry

-87%

Before Washing Machines / After Washing Machines

Time To Manufacture A Car

-88%

Before Assembly Line / After Assembly Line
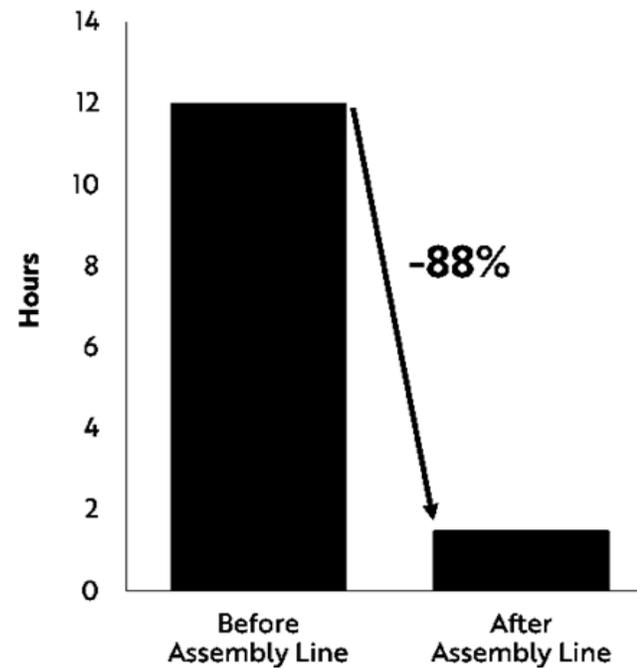
Time From Click To Ship At An Amazon Warehouse

-78%

Before Kiva Robots / After Kiva Robots

Source: Ark Invest
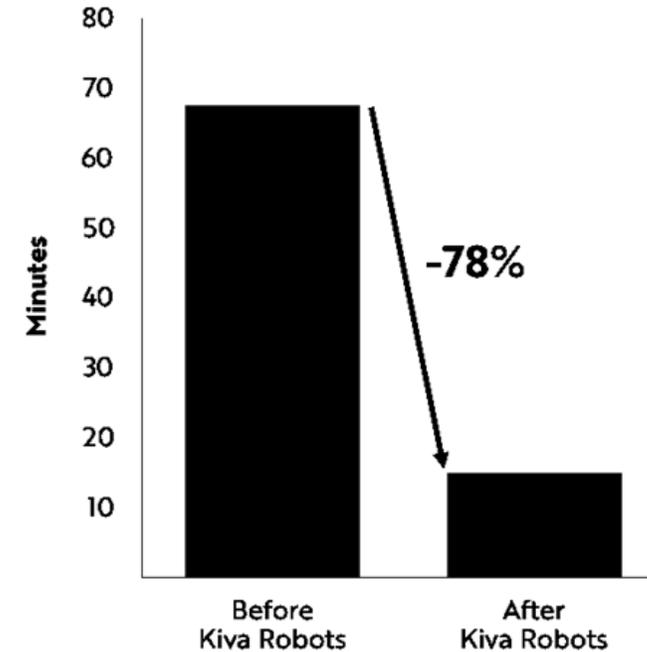
The Boom in Robotics is dominated by China

ANNUAL INSTALLATIONS OF INDUSTRIAL ROBOTS BY COUNTRY

(Units, 2024)

China 295,000

Rest of world 101,600

India 9,100

Germany 27,000

S.Korea 30,600

US 34,200

Japan 44,500

GLOBAL TIMES · Valiant Panda · Sources: World Robotics 2025, IFR
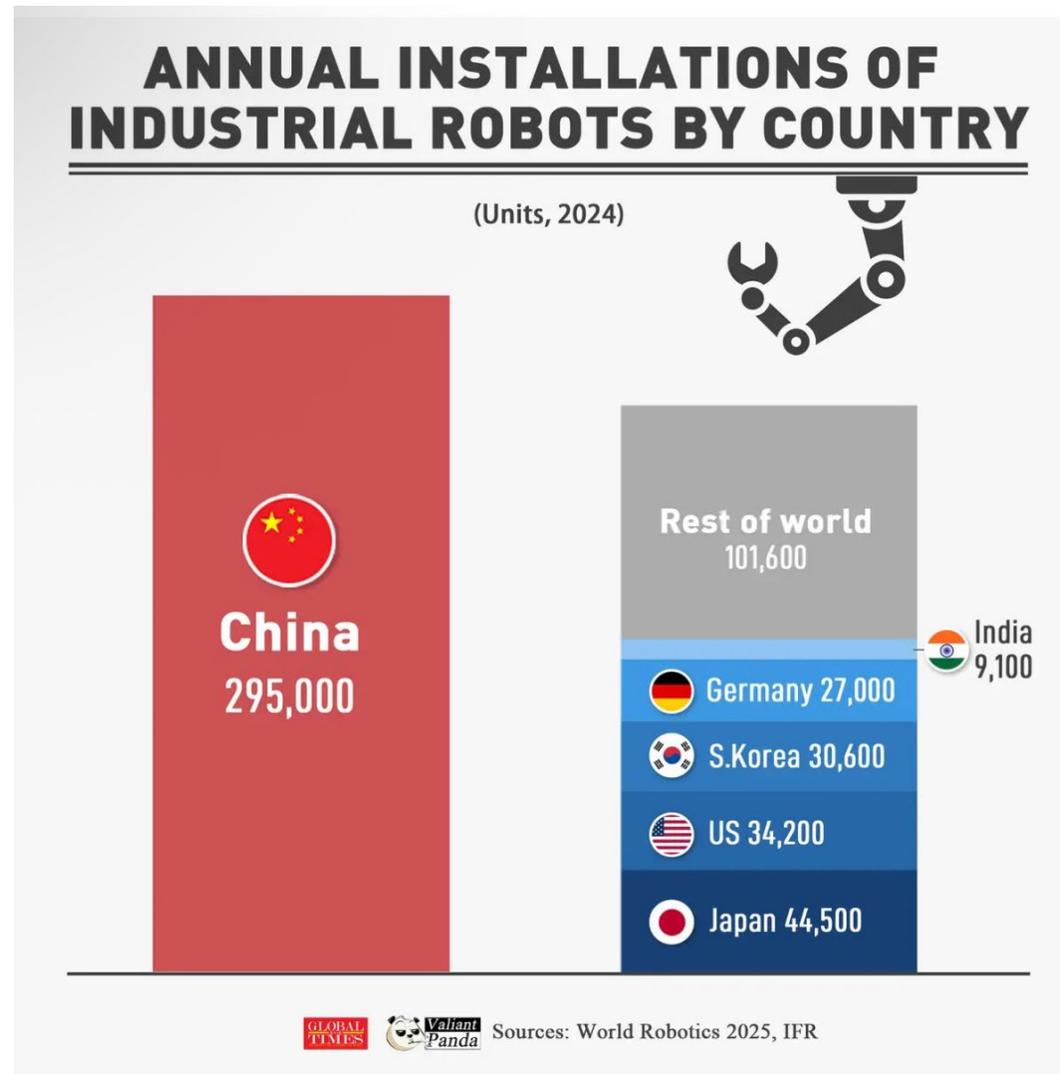
"Demographics are the most important factor that will drive the global economy over the next 30 years."
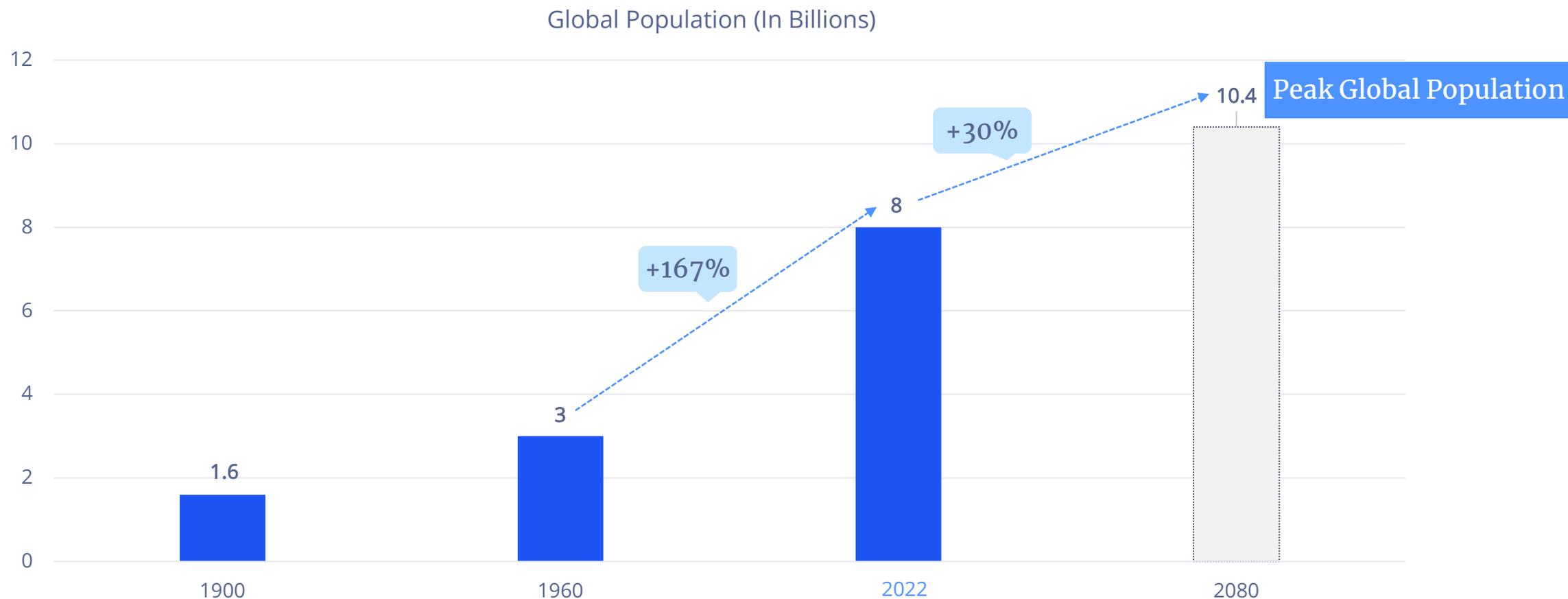
- Ray Dalio, Founder of Bridgewater

Flattening Population Growth Presents Challenges
Global Population Reached **8 Billion** in 2022 but slower Growth Lies Ahead

Global Population (In Billions)

12

10

8

6

4

2

0

1.6

3

8

+167%

+30%

10.4

Peak Global Population

1900

1960

2022

2080

New Tools & New Rules

The labor market has softened materially from the 2022 peak but is still holding relatively strong

— KC Fed Labor Market Conditions Index, Level of Activity Indicator

Source: Federal Reserve Bank of Kansas City via FRED®
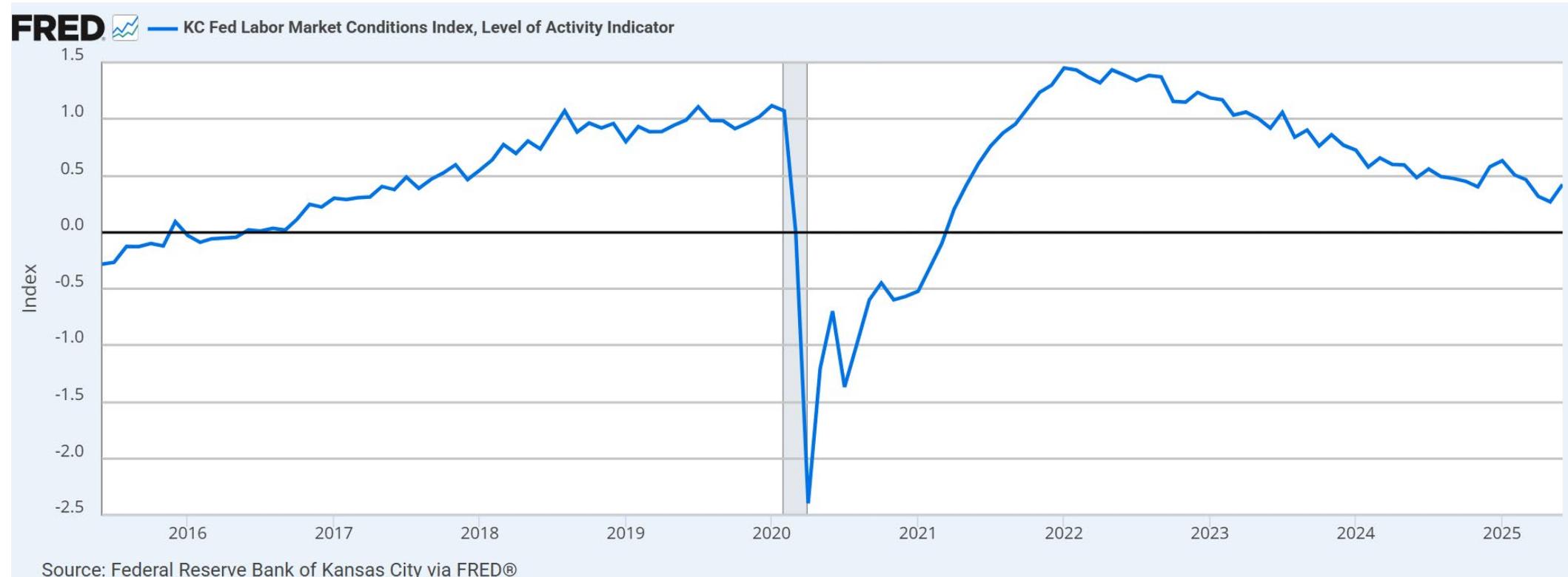
The quit rate is well below pre-COVID levels

Source: U.S. Bureau of Labor Statistics via FRED®
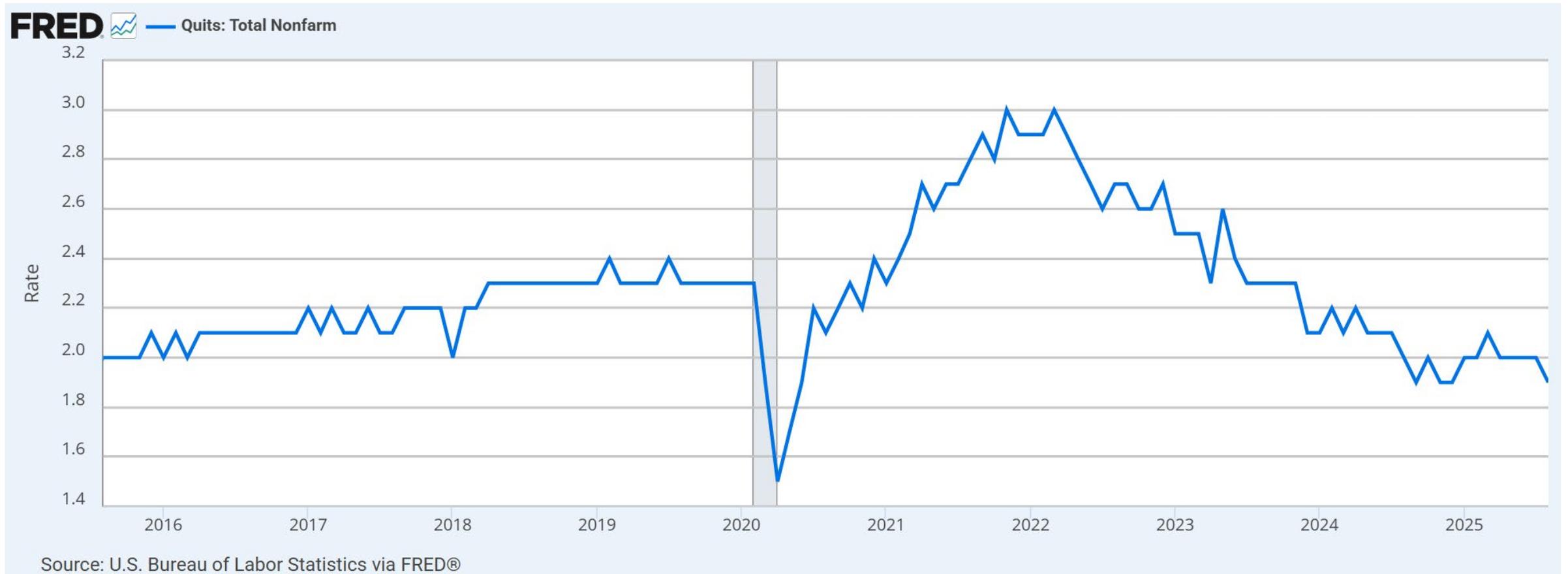
CEO Employment Sentiment Has Hit a Level Not Seen Since COVID

New Tools & New Rules
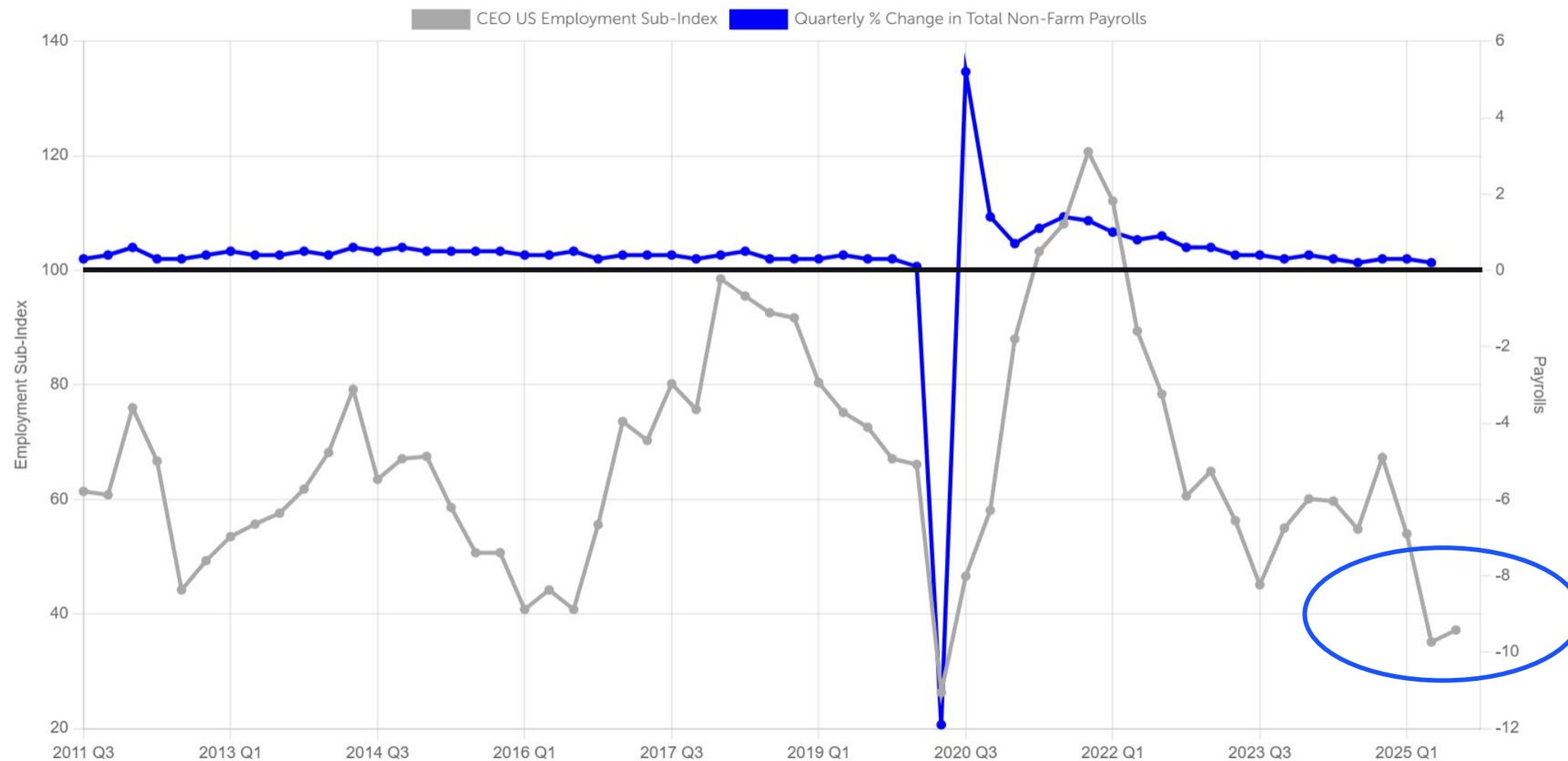
CEO's Expect a Significant Reduction in U.S. Employment

CEO Survey Results & Subindices	2025 Q2				2025 Q3				Historic Average of Subindex
	Increase	No Change	Decrease	Subindex	Increase	No Change	Decrease	Subindex	
How do you expect your company's sales to change in the next six months?	67%	22%	10%	**107**	71%	21%	8%	**114**	**112**
How do you expect your company's U.S. capital spending to change in the next six months?	28%	59%	13%	**65**	38%	51%	11%	**77**	**77**
How do you expect your company's U.S. employment to change in the next six months?	26%	33%	41%	**35**	25%	37%	38%	**37**	**61**

*Note: Totals may not sum to 100% due to rounding. Quarter-to-quarter change is calculated from rounded values.

Source: Business Roundtable

Unemployment for recent college graduates is spiking due to increased adoption of AI but has been steadily rising

U.S. Unemployment Rates	2019 Average (January to December)	2025 Average (January to July)	Percentage Point Change
Overall	3.67%	4.18%	0.51
Recent college graduates	3.25%	4.59%	1.34
Older college graduates	2.04%	2.42%	0.38
Young noncollege-educated workers	5.91%	6.38%	0.47

Share of Long-Term Unemployed Population
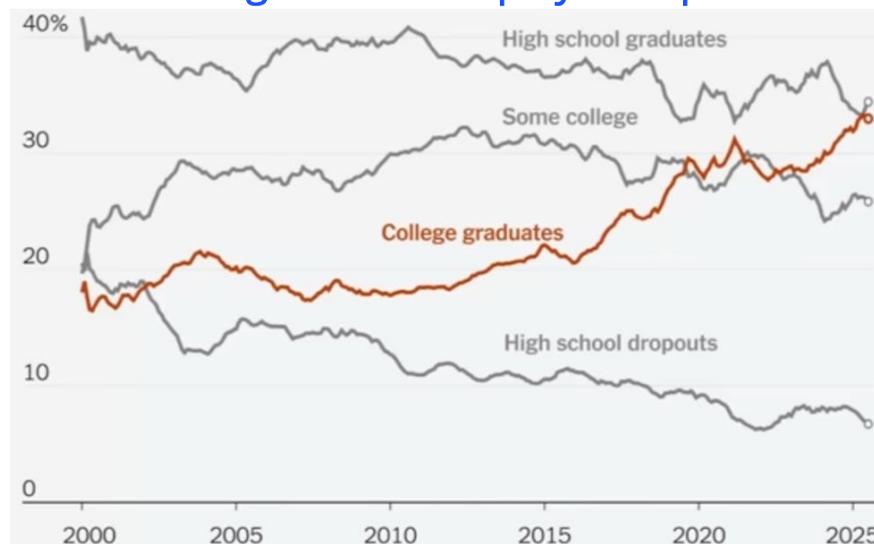
The income required to afford a typical house in the U.S. has more than tripled in the last 12 years

The Ballooning Cost of the American Dream

Household income required to afford the typical U.S. home

$150,000

Nov. 2024
$126,764.90

100,000

June 2018
$71,925.63

50,000

Jan. 2012
$39,223.30

0

2012   '15   '20

Source: Redfin   WSJ

New Tools & New Rules
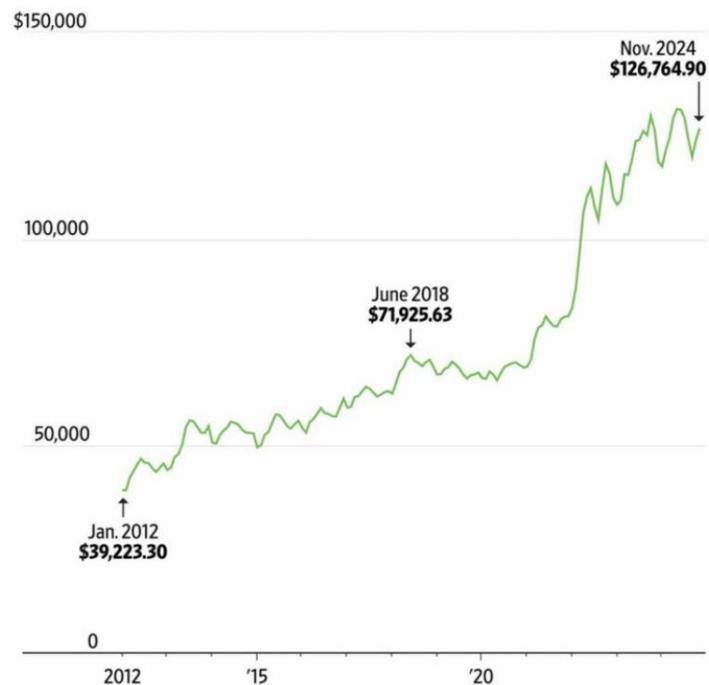
Share of U.S. home listings affordable on median income

50%
40%
30%
20%
10%

16%

2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023
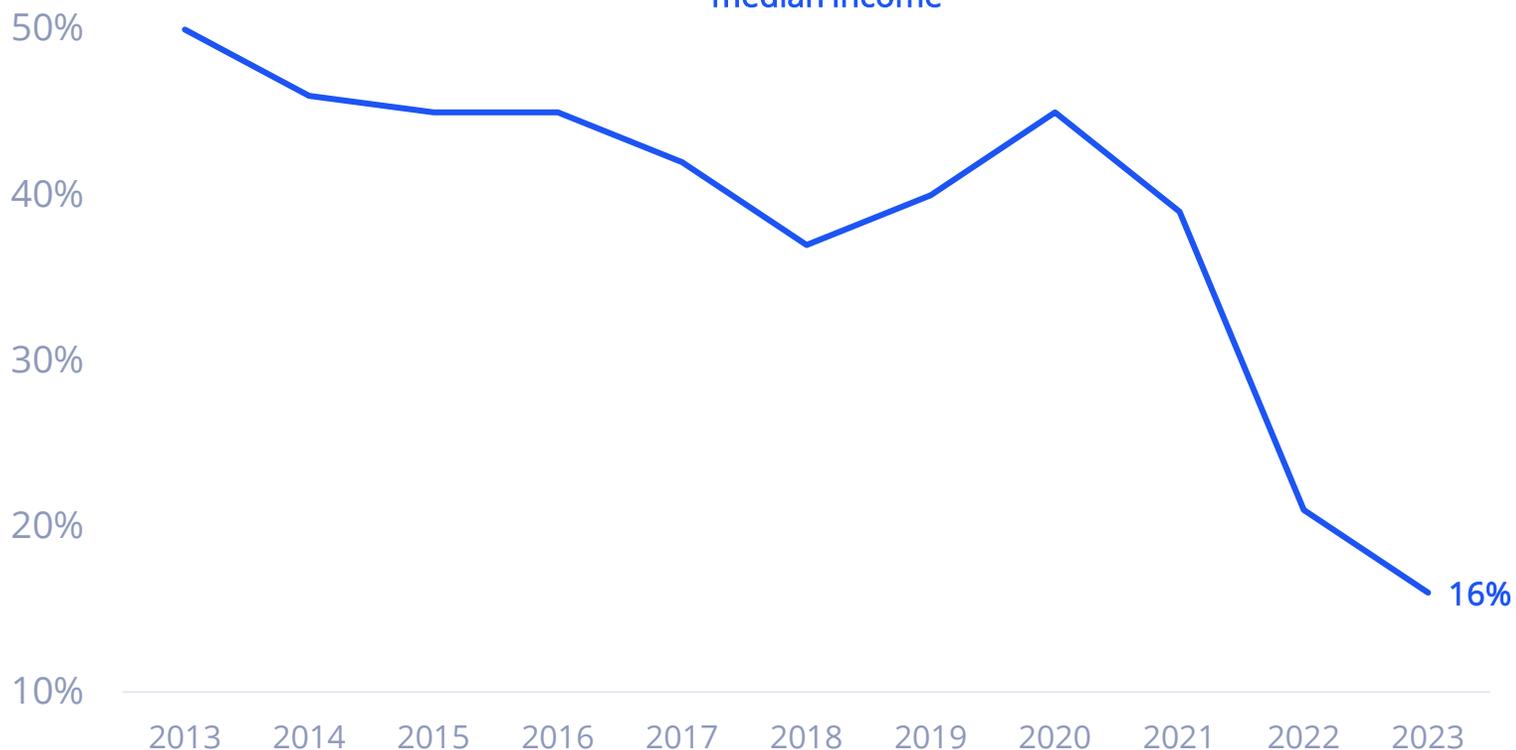
Source: FRED, Redfin

The Southeast has seen the most rapid decline in affordability with the exception of New Orleans

Change in Affordability | 2019 - 2023

-28% -15% -2.7% 12%

Zillow's top rated MSAs for Home Appreciation in 2022

New Tools & New Rules
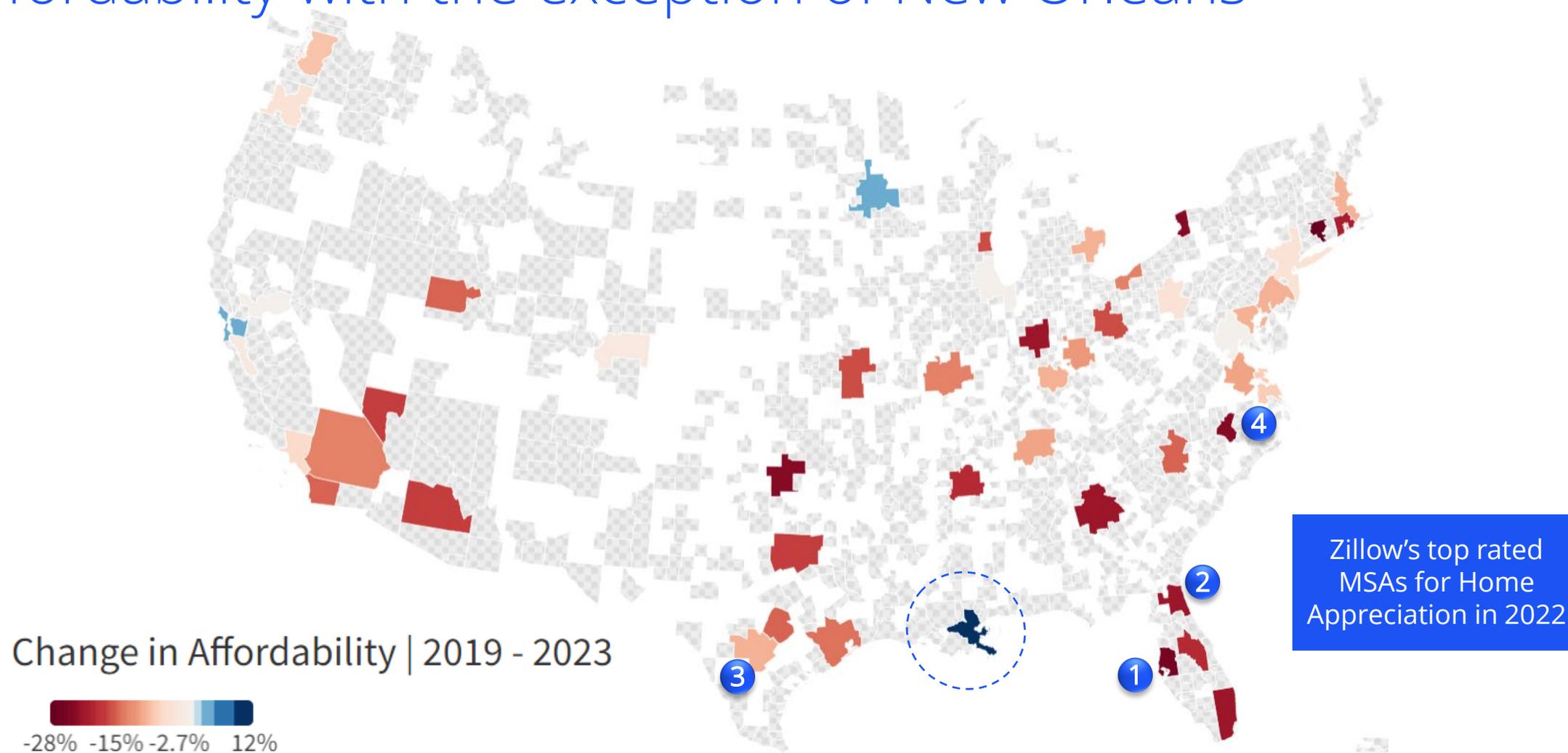
"Affordability Alley" runs from Texas through the Midwest and the Rustbelt

Zillow's top rated MSAs for Home Appreciation in 2024

Zillow's top rated MSAs for Home Appreciation in 2025

Housing Affordability | Top 50 MSAs by Population
Affordability Ratio | 2024

2.1 3.5 4.8 6 7.1 9.7

Source: Zillow, FFIEC • Housing Affordability Ratio is calculated by dividing the median home price by the median household income of the represented Metropolitan Statistical Areas.

"Deglobalization is one of the most important trends facing investors today."

- Larry Fink, CEO of BlackRock

Tariffs have been controversial domestically and internationally

Domestic Manufacturers Opinion on Tariffs
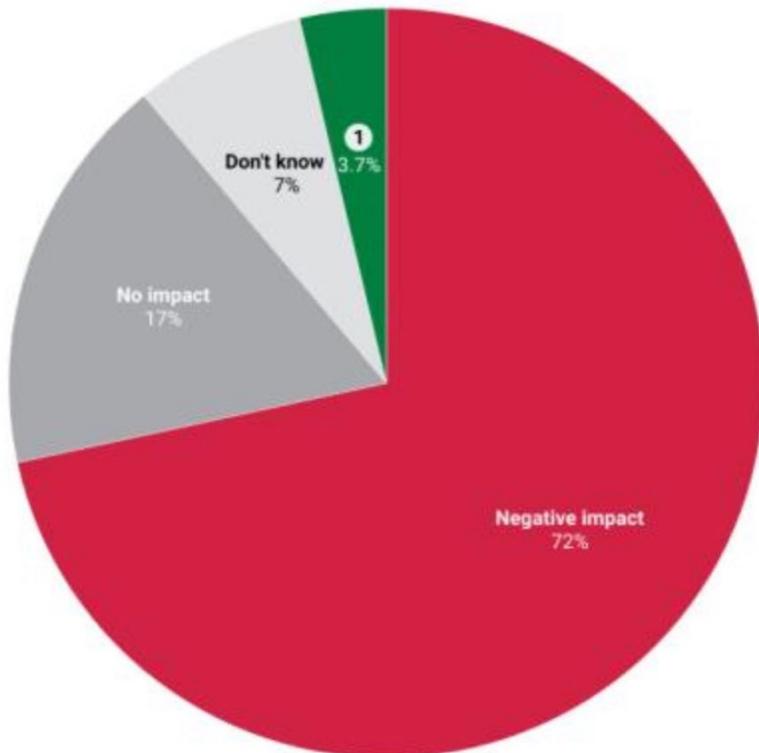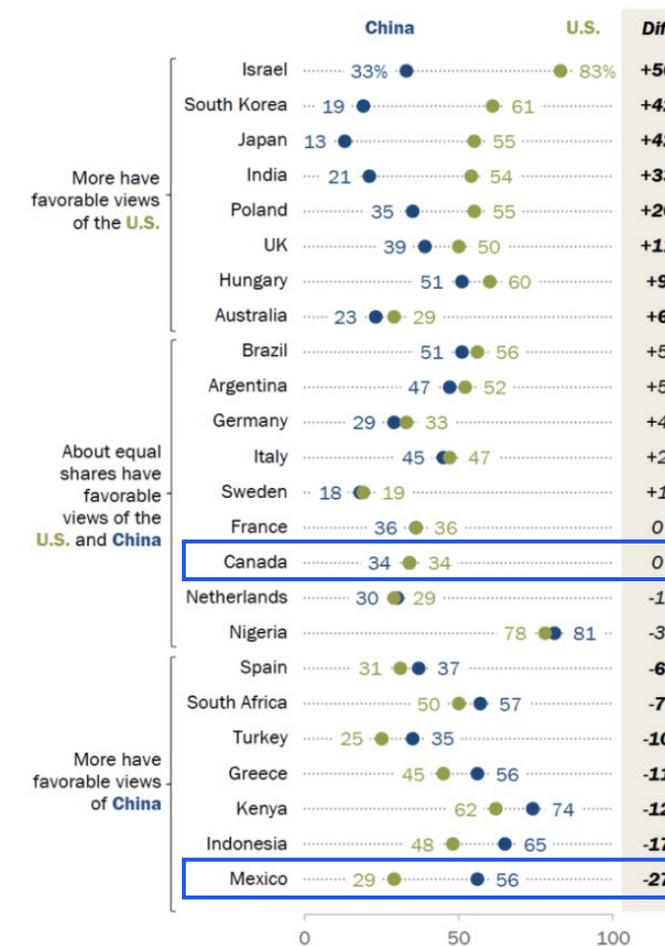
"Has your business been impacted by higher tariffs this year?"

The green slice shows the share of manufacturers (3.7%) who believe that the Trump tariffs have had a **positive impact** on their business ↓

- ① 3.7%
- Don't know 7%
- No impact 17%
- Negative impact 72%

How people in 24 countries view the U.S. and China

% who have a favorable opinion of ...

	China	U.S.	Diff
Israel	33%	83%	+50
South Korea	19	61	+42
Japan	13	55	+42
India	21	54	+33
Poland	35	55	+20
UK	39	50	+11
Hungary	51	60	+9
Australia	23	29	+6
Brazil	51	56	+5
Argentina	47	52	+5
Germany	29	33	+4
Italy	45	47	+2
Sweden	18	19	+1
France	36	36	0
Canada	34	34	0
Netherlands	30	29	-1
Nigeria	78	81	-3
Spain	31	37	-6
South Africa	50	57	-7
Turkey	25	35	-10
Greece	45	56	-11
Kenya	62	74	-12
Indonesia	48	65	-17
Mexico	29	56	-27

More have favorable views of the U.S.

About equal shares have favorable views of the U.S. and China

More have favorable views of China

Note: Statistically significant differences shown in **bold**.

Source: Dallas Fed, Pew Research

One Big Beautiful Bill Act

100% expensing for Qualified Production Property

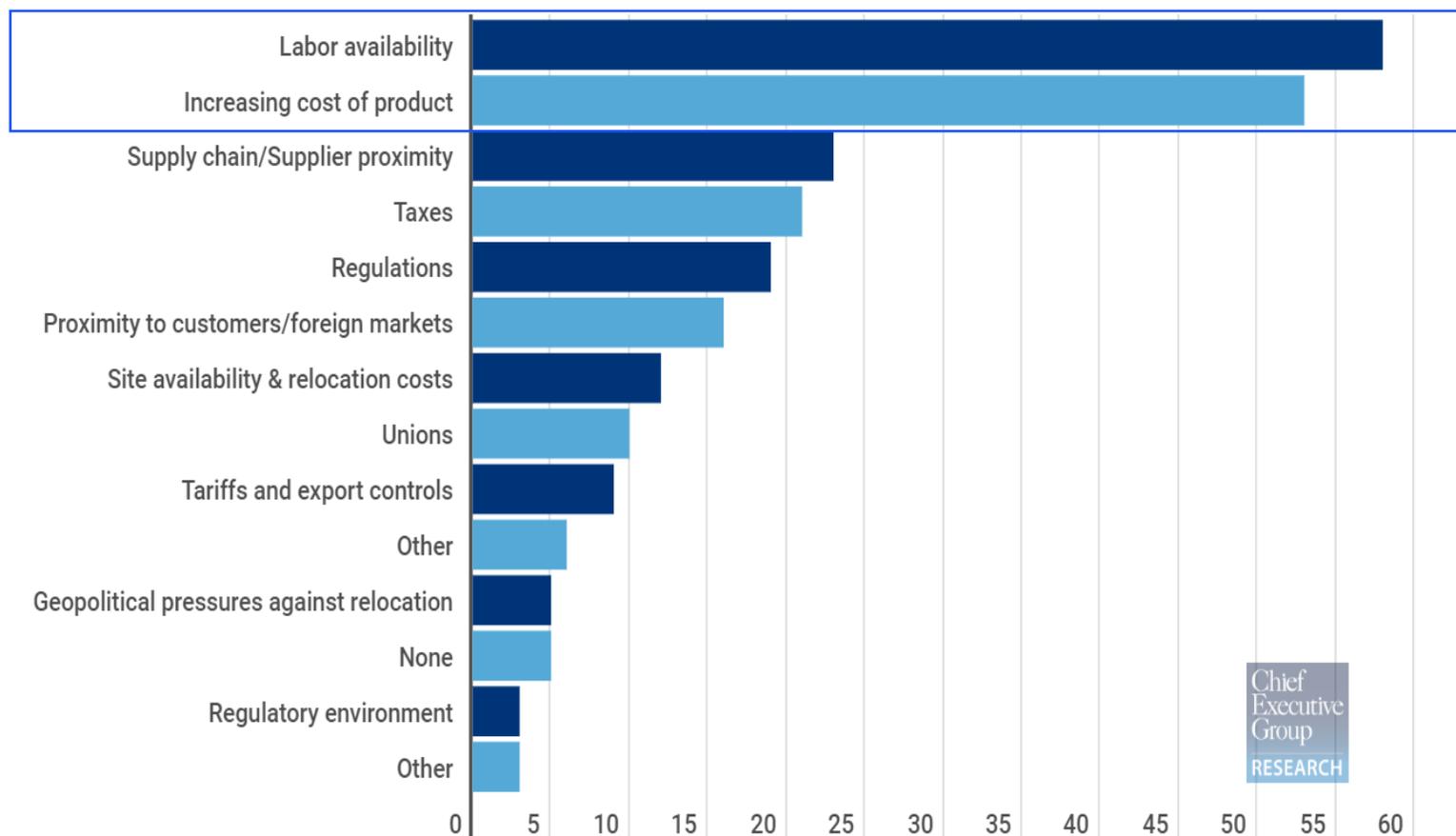Permanent 100% bonus depreciation on qualified equipment

Permanent Extension of Opportunity Zones Extension

Permanent Extension of New Market Tax Credit

New Tools & New Rules

Source: Colliers Research
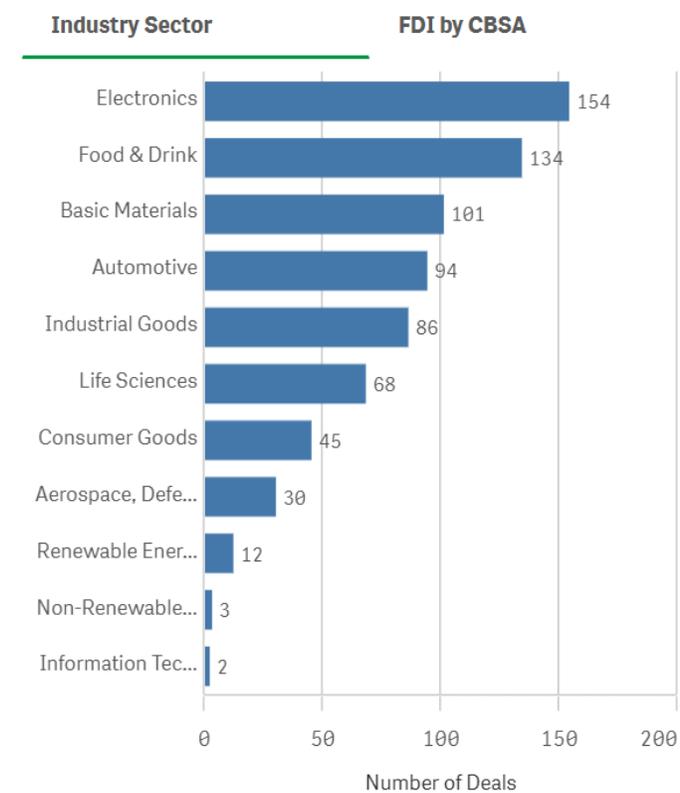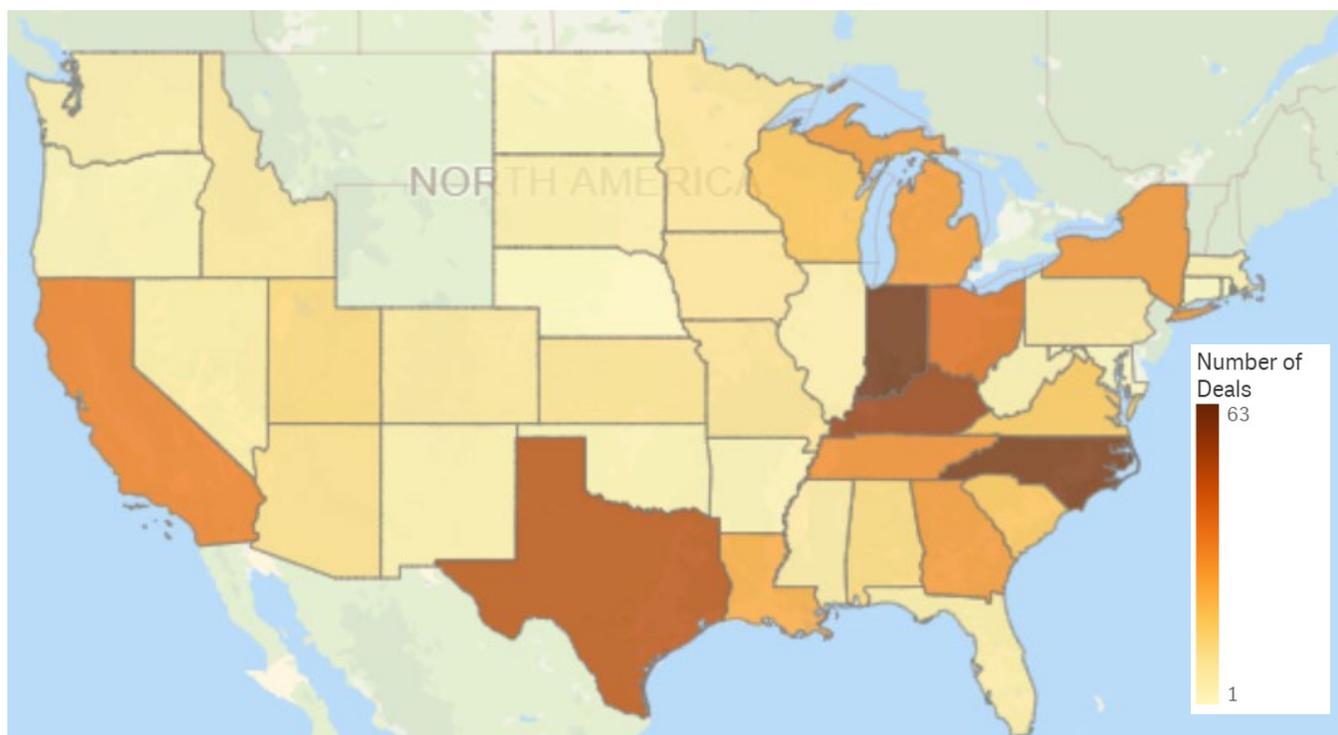
CEO's top obstacles to reshoring operations?

Respondents were asked to select up to three options.

COMBINED RATINGS*
CONSULTANT SURVEY

Site Selection Factors	2025	2024
Ranking		
1. Energy availability	100.00%	97.9 (3)
2. Available land	100.00%	98 (T2)
3. Skilled labor	98.44%	100 (1)
4. Expedited permitting	98.44%	81.6 (T9)
5. Proximity to suppliers	96.88%	89.8 (T5)
6. Energy costs	95.31%	93.9 (4)
7. Responsive state & local government	95.31%	98(T2)
8. Property tax	95.24%	N/A
9. State and local incentives	95.23%	98 (T2)
10. Highway	93.76%	89.8 (T5)
11. Environmental regulations	93.75%	85.7 (T7)
12. Proximity to major markets	92.19%	83.7 (8)
13. Labor costs	90.63%	87.8 (6)
14. Available buildings	84.13%	81.6 (T9)
15. Water availability	81.26%	85.7 (T7)

New Tools & New Rules

8 of the top 10 Destinations for Onshoring Jobs in 2024 located in historically established manufacturing markets

Data is sourced from ReshoreNow, Colliers Workforce Intelligence Platform (WIP) and emsi

Large Capital Projects ($100M+) post-COVID have Focused on the Midwest, Southeast and Texas

Number of Deals
63
1

Industry Sector

FDI by CBSA

Industry Sector	Number of Deals
Electronics	154
Food & Drink	134
Basic Materials	101
Automotive	94
Industrial Goods	86
Life Sciences	68
Consumer Goods	45
Aerospace, Defe...	30
Renewable Ener...	12
Non-Renewable...	3
Information Tec...	2

Number of Deals

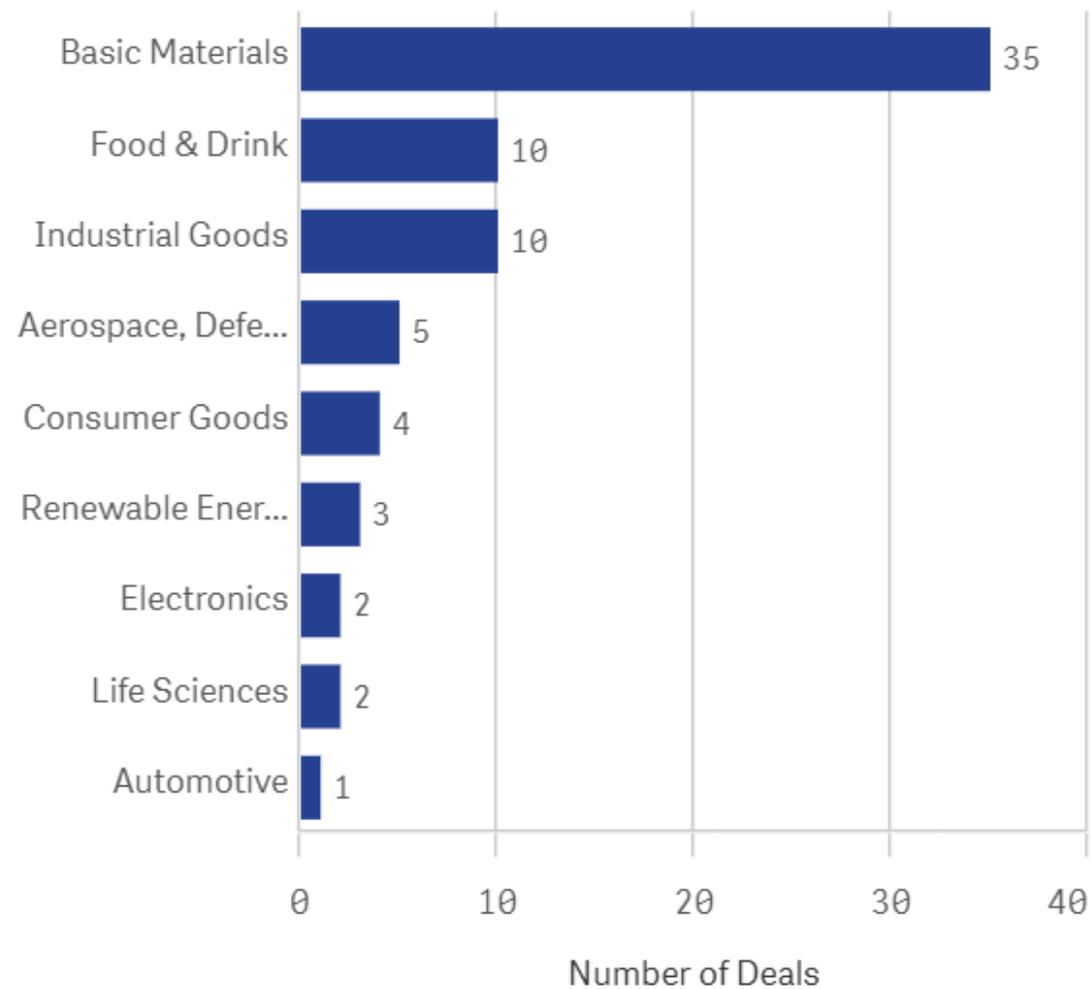Data is sourced from Colliers Workforce Intelligence Platform (WIP), FDI Intelligence
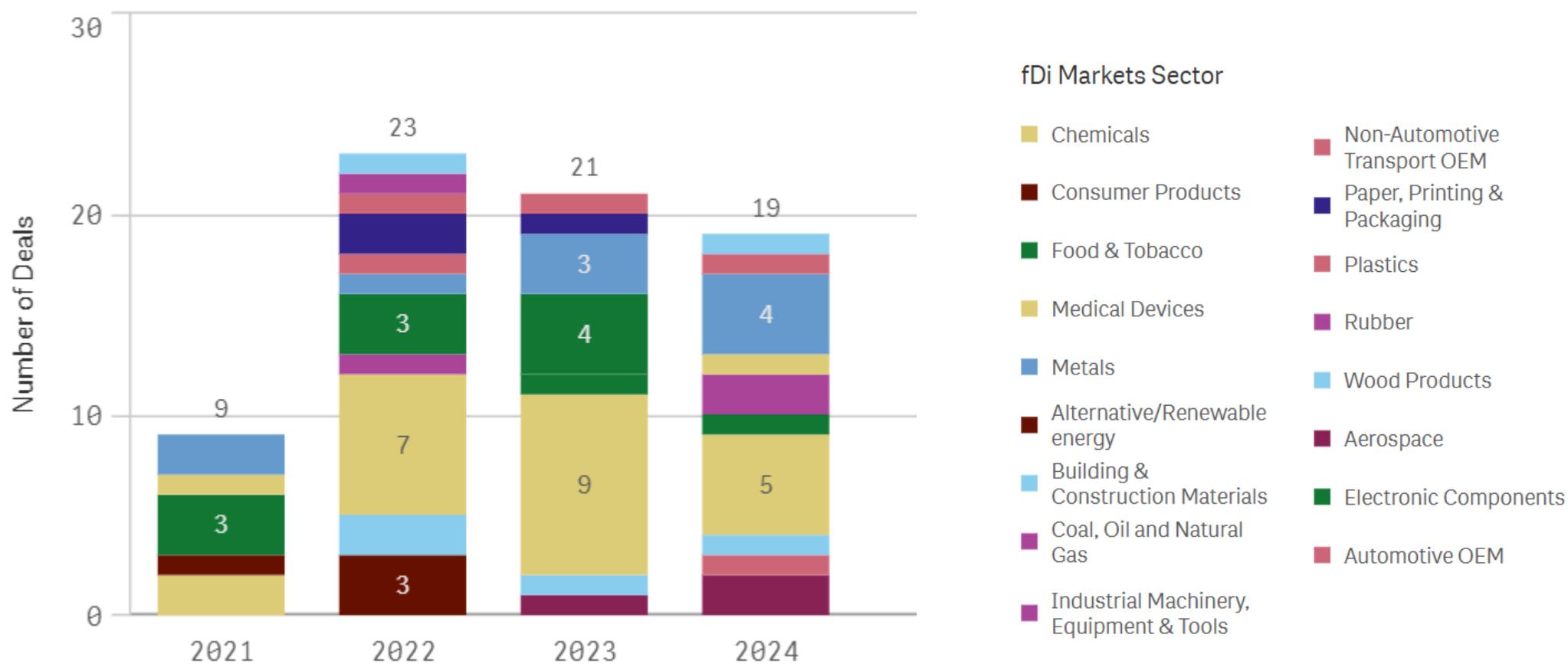
"There is no place like home."

- Dorothy Gale, Wizard of Oz

Gulf Area FDI Deal Volume has been Driven by Economically Resilient Sectors

Gulf Area FDI Volumes are Driven by Chemicals, Metals and Food

fDi Markets Sector

- Chemicals
- Consumer Products
- Food & Tobacco
- Medical Devices
- Metals
- Alternative/Renewable energy
- Building & Construction Materials
- Coal, Oil and Natural Gas
- Industrial Machinery, Equipment & Tools
- Non-Automotive Transport OEM
- Paper, Printing & Packaging
- Plastics
- Rubber
- Wood Products
- Aerospace
- Electronic Components
- Automotive OEM

Source: Colliers WIP

New Orleans has a Depth of Legal, Maintenance and Engineering Talent but is Less Dense for key White-Collar roles

Description	2024 Employment Concentration	2025 Jobs	5 Year % Change in Jobs	U.S. 5 Year % Change in Jobs	Median Annual Earnings
Military-only occupations	1.82	8,603	(12%)	(3%)	$42,545
Legal Occupations	1.40	10,736	4%	9%	$73,098
Protective Service Occupations	1.26	25,129	8%	12%	$44,279
Installation, Maintenance, and Repair Occupations	1.23	42,936	11%	11%	$52,420
Food Preparation and Serving Related Occupations	1.23	88,536	19%	24%	$25,847
Construction and Extraction Occupations	1.21	49,086	5%	8%	$49,539
Healthcare Practitioners and Technical Occupations	1.17	62,268	11%	14%	$73,178
Personal Care and Service Occupations	1.13	28,696	4%	14%	$27,931
Architecture and Engineering Occupations	1.12	15,808	0%	4%	$96,517
Transportation and Material Moving Occupations	1.05	79,903	14%	13%	$38,810
Sales and Related Occupations	1.03	78,577	(2%)	2%	$32,000
Building and Grounds Cleaning and Maintenance Occ	1.03	31,370	1%	10%	$29,343
Arts, Design, Entertainment, Sports, and Media Occu	0.98	16,299	7%	13%	$48,058
Office and Administrative Support Occupations	0.97	96,789	(4%)	(1%)	$39,281
Production Occupations	0.96	45,196	(1%)	4%	$51,552
Educational Instruction and Library Occupations	0.95	48,590	3%	7%	$55,220
Life, Physical, and Social Science Occupations	0.92	7,965	12%	14%	$72,434
Community and Social Service Occupations	0.83	13,975	6%	14%	$48,594
Management Occupations	0.81	55,742	18%	33%	$95,808
Healthcare Support Occupations	0.81	35,425	18%	18%	$31,107
Business and Financial Operations Occupations	0.73	43,048	12%	24%	$71,368
Computer and Mathematical Occupations	0.50	14,231	5%	14%	$80,117
Farming, Fishing, and Forestry Occupations	0.46	2,726	(14%)	(1%)	$34,493
		901,634	7%	12%	

New Tools & New Rules

Data is sourced from Lightcast with analysis from Colliers

"Affordability is going to continue to be driver for corporate users"
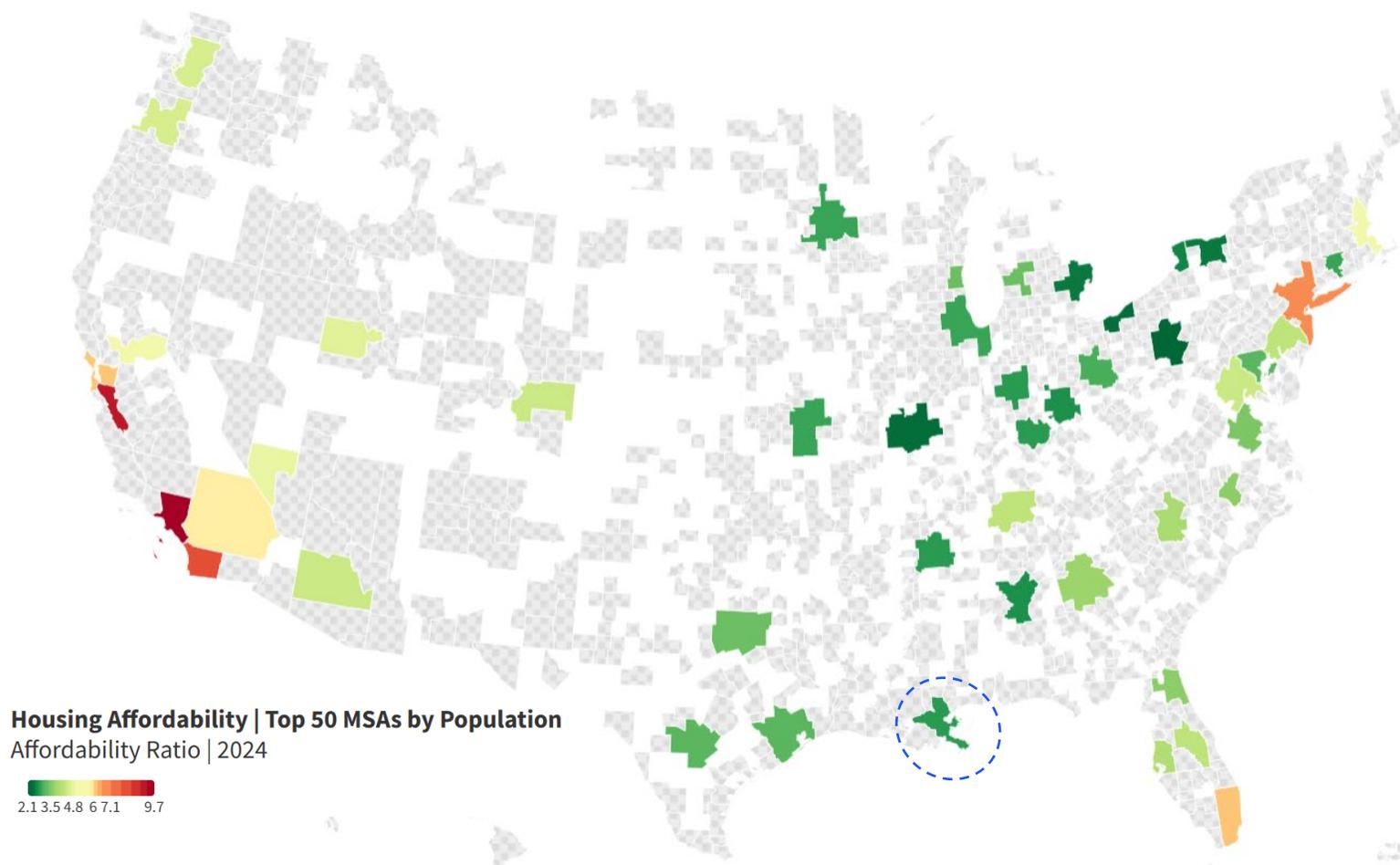
Housing Affordability | Top 50 MSAs by Population
Affordability Ratio | 2024

2.1 3.5 4.8 6 7.1   9.7

Source: Zillow, FFIEC • Housing Affordability Ratio is calculated by dividing the median home price by the median household income of the represented Metropolitan Statistical Areas.

"The gap between the markets' solutions and technology's current capabilities has never been greater…

Within that gap lies _historically unprecedented opportunity_."

Thank You

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