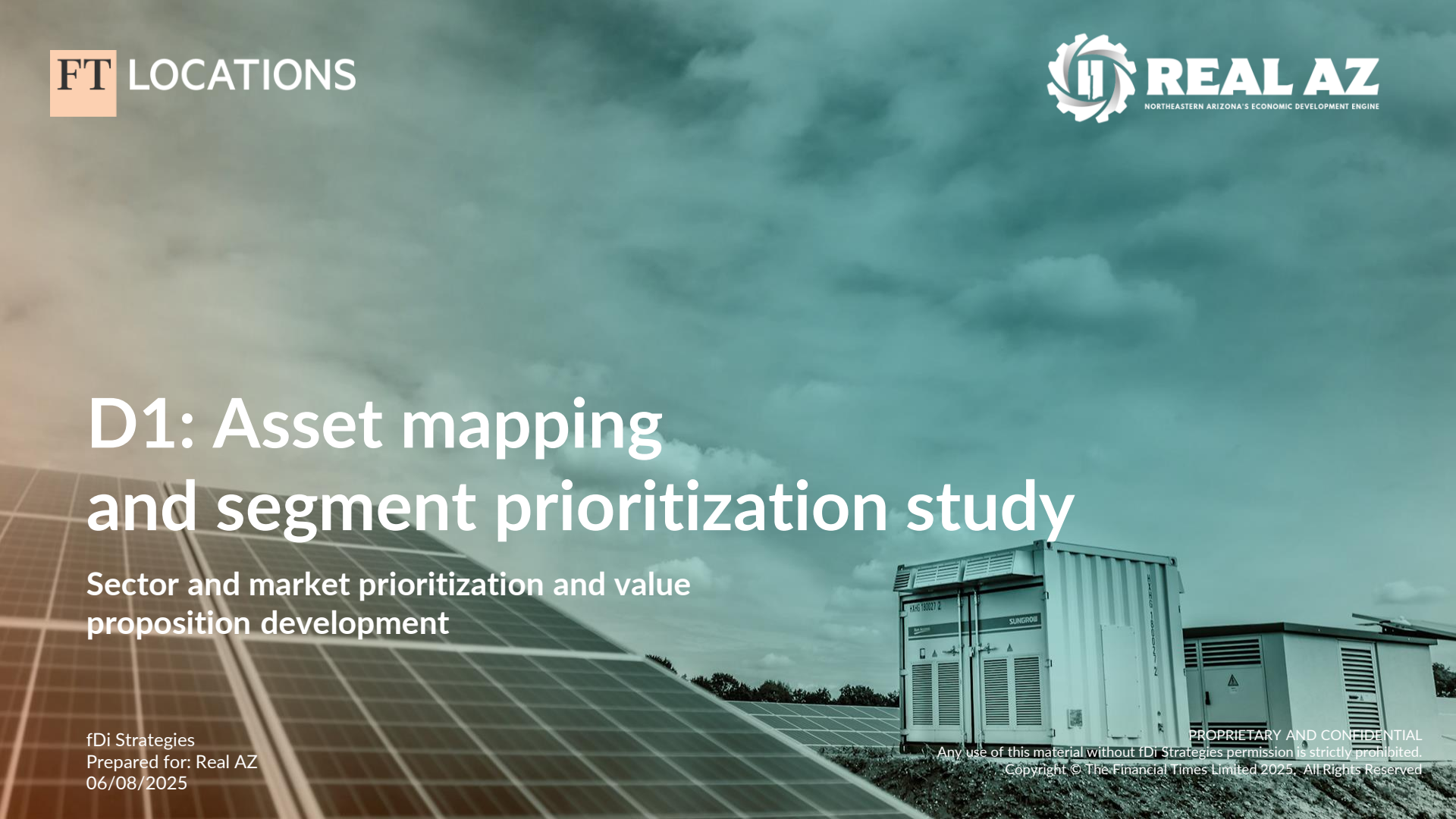
FT LOCATIONS

REAL AZ
NORTHEASTERN ARIZONA'S ECONOMIC DEVELOPMENT ENGINE

D1: Asset mapping and segment prioritization study

Sector and market prioritization and value proposition development



fDi Strategies
Prepared for: Real AZ
06/08/2025

Contents

Executive summary

Project objectives, approach, and key findings

Executive summary

Overall project approach

fDi Strategies was commissioned by REAL AZ[1] to define, focus, and position the region's high-value investment opportunities. This first deliverable focused on asset mapping and segment prioritization, evaluating the region's infrastructure, workforce, and business ecosystem to identify target segments with the greatest potential to attract investment. The findings will inform the next stages of work, which include target market analysis and the development of a tailored investor value proposition.

Kick-off

Introduction to project approach, review the scope of work, develop a list of key actions for each party, and sector mapping discussion to outline long list of sub-sectors.

Target market analysis

Analysis of top international and domestic source markets for the prioritized sectors and development of 3-5 market profiles.

Final report and presentation

Final report will be developed outlining findings from all phases of analysis, and a roadmap for future steps.

Asset mapping & segment prioritization

Assessment of REAL AZ's target sectors to identify the highest potential opportunities that can be capitalized on for future Foreign Direct Investment (FDI) attraction, and development of sector profiles.

Investor journey mapping and VP

Virtual investor journey mapping workshop to create investor personas to inform outreach messaging and development of a tailored 12-15 slide value proposition deck.

Source
FT Locations, *fDi Strategies*

Note
[1] For the purposes of this project, it was agreed that Apache and Navajo Counties fall under the jurisdiction of REAL AZ and are included in the assessment scope.

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Executive summary

Key objectives of the study

This project was undertaken to assess and articulate the investment potential of the REAL AZ Corridor by identifying high-impact sectors, evaluating regional strengths, and supporting the development of a targeted investment strategy. This work aims to support targeted investment attraction by identifying the segments with the greatest potential for growth, mapping the regional assets and infrastructure that enable investment, and building a strong value proposition for the REAL AZ Corridor. The study also considers wider market trends and investor drivers across the United States and Arizona to ensure the region's strategy is aligned with national demand and sector-specific dynamics.

Key questions included:

1. What **regional assets, infrastructure, and actors** shape the investment potential of Apache and Navajo Counties, and how do they support the development of identified segments in renewable energy and advanced manufacturing?

2. Which of REAL AZ's **target segments offer the strongest potential** for future inward investment[1] attraction?

3. What are the **key characteristics and demand drivers** shaping the renewable energy and advanced manufacturing sectors in the United States and Arizona, and how do the **location advantages** of the REAL AZ Corridor position it to attract investment in these sectors?

Source
FT Locations, *fDi Strategies*

Note
[1] Inward investment refers to Foreign Direct Investment (FDI) and Domestic Direct Investment (DDI). In this study, both FDI and DDI refer specifically to greenfield investment, that is, tangible new or expansion projects that create physical assets and generate new jobs. FDI involves investments by foreign-headquartered companies, while DDI refers to inter-state investment by US-headquartered companies expanding or relocating operations across state lines.

Executive summary

1. What regional assets, infrastructure, and actors shape the investment potential of Apache and Navajo Counties, and how do they support the development of segments in renewable energy and advanced manufacturing?

The asset mapping section of this report explores the ecosystem of Apache and Navajo Counties through a place-based lens, identifying the core resources and institutions that underpin investment readiness. The region is endowed with abundant natural resources (including timber, solar, wind, and geologic minerals) and benefits from expansive, affordable land availability. Industrial investment is further enabled by strong energy infrastructure (including solar, wind, and biomass facilities), growing broadband access driven by Navajo County's new 105-mile middle-mile fiber network, and multimodal connectivity via Interstate 40, the BNSF Railway, and the Apache short-line. Workforce readiness is anchored by institutions like Northland Pioneer College (NPC) and NAVIT, which offer targeted technical programs aligned with modular housing, renewable energy, and industrial technologies. Additionally, the arrival of ZenniHome as the region's anchor for prefabricated modular housing production, the existing portfolio and investment pipeline of renewable energy companies, and support from statewide players like ASU's Just Energy Transition Center and NAU's Economic Policy Institute, are helping to catalyze growth in advanced manufacturing and renewable energy segments through research, workforce training, and economic diversification efforts.

Based on FT Locations' research and consultations with REAL AZ, segments within the renewable energy supply chain and advanced manufacturing tangential to housing were identified as the largest areas for growth. These include material suppliers for solar and wind, heavy equipment providers, service and maintenance firms, specialized logistics companies, as well as raw material and structural components suppliers essential to housing fabrication, industrial automation firms and industrial building developers capable of delivering build-to-suit or speculative facilities. Unlocking opportunities across these high-potential segments will require continued collaboration across tribal, local, and regional actors, supported by investment-ready sites like the I-40 Tradeport in Winslow and the Aztec Ranch Industrial District, and proactive engagement with federal and state incentive programs targeting energy transition and advanced manufacturing clusters.

Source
FT Locations, *fDi Strategies*

Executive summary

2. Which of REAL AZ's target segments offer the strongest potential for future inward investment attraction?

FT Locations and REAL AZ's asset mapping consultation identified **material suppliers for utility-scale renewable energy (1st), industrial building development (2nd), raw material and structural components for housing (3rd), interior systems and appliance suppliers (4th), operation & maintenance services (5th), heavy equipment providers (6th), industrial equipment and automation (7th), specialized logistics (8th)** as target segments for inward investment within the advanced manufacturing and renewable sectors. The fDi Markets database from FT Locations was mapped to align with these segments and formed the basis of fDi Strategies' analysis.

The prioritization of segments was conducted through a data-driven approach, comparing weighted indices across three key dimensions:

Supply: Segment's relative FDI and US inter-state investment strengths looking at the REAL AZ offer, i.e., sector attractiveness, sector specialization, incentives available to the sector etc.

Demand: Segment's FDI and US inter-state investment potential opportunity level i.e., based on trends in the sector in terms of number of projects, capital expenditure (CapEx), and jobs created.

Impact: Sector's contribution to FDI and US inter-state investment job creation and CapEx.

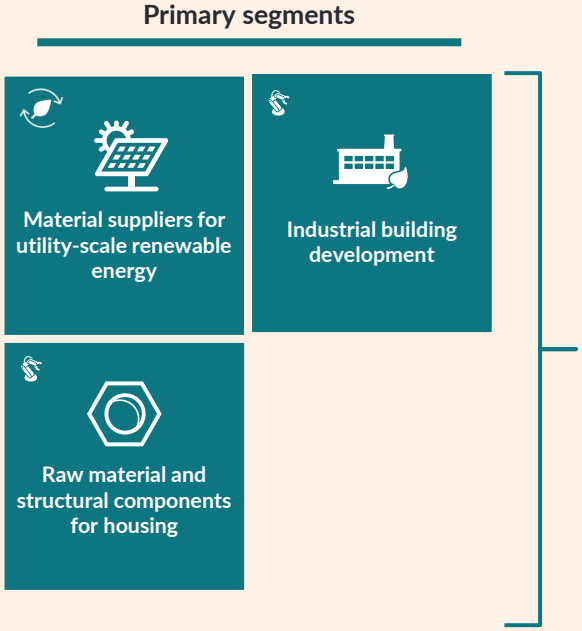
fDi Strategies segment prioritization analysis revealed:

- **Primary segments:** Material suppliers to utility-scale renewable energy, industrial building development and raw material and structural components for housing ranked highest across supply, demand and impact indicators.
- **Secondary segments:** Interior systems and appliance suppliers, operation & maintenance services, and heavy equipment providers present more selective opportunities, particularly in markets where REAL AZ's assets or workforce align with company needs.
- **Tertiary segments:** Industrial automation and specialized logistics are recommended for long-term monitoring rather than immediate proactive promotion.

Source
FT Locations, *fDi Strategies*

Executive summary

2. Which of REAL AZ's target segments offer the strongest potential for future inward investment attraction?



fDi Strategies' analysis identified three primary target segments for inward investment attraction:

Material suppliers for utility-scale renewable energy: This segment includes companies that manufacture and supply critical components for solar, wind, and storage projects. Investment momentum is being driven by the reshoring of clean energy supply chains, national content requirements under the OBBB Act, and record growth in solar and battery deployment. For REAL AZ, this presents a major opportunity to attract suppliers looking for a growing market of renewable energy projects and access to south-west energy markets.

Industrial building development: Industrial developers are increasingly seeking locations where they can deliver speculative and build-to-suit spaces to meet pent-up demand. REAL AZ has a unique value proposition in this segment due to its large, cost-accessible land parcels and multimodal connectivity. The lack of move-in ready industrial facilities is a barrier to broader investment and targeting this segment can unlock growth across others by reducing time-to-market.

Raw material and structural components for housing: The US housing shortage and growing interest in modular construction are driving demand for suppliers of lumber, wood panels, insulation, steel, and prefabricated materials. REAL AZ is well-positioned to attract investment in this segment thanks to its proximity to natural resources, regional connectivity, land availability, workforce readiness and, the potential development of downstream operations to serve ZenniHome.

Source
FT Locations own analysis based fDi Markets database

Note
Sectors

Advanced manufacturing

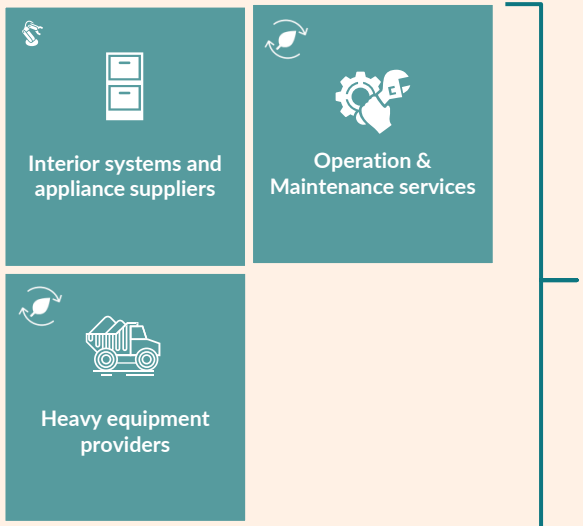
Renewable energy

FT LOCATIONS

Executive summary

2. Which of REAL AZ's target segments offer the strongest potential for future inward investment attraction?

Secondary segments



fDi Strategies' analysis identified three secondary target segments for inward investment attraction:

Interior systems and appliance suppliers: This segment includes manufacturers of lighting, appliances, home furnishings, and other components essential to residential fit-out. While national investor activity is more modest than other segments, REAL AZ's proximity to modular housing production and cost-effective workforce training pathways suggest targeted opportunities, especially for suppliers that benefit from proximity to housing manufacturers.

Operation & Maintenance services: O&M firms (spanning electrical, mechanical, and civil engineering trades) play a critical role in ensuring the long-term reliability of renewable infrastructure. Although project size is typically smaller, the segment shows high volume in DDI activity. REAL AZ can engage operators and service contractors looking for stable, growth-oriented energy markets and a cost-competitive base of operations.

Heavy equipment providers: This segment includes contractors and suppliers of cranes, earthmoving machinery, and construction operators. Activity is largely DDI-driven and more regionally distributed, with REAL AZ offering value through easy access to major roads, rail corridors, and construction-ready sites. Targeting established US firms with inter-state expansion plans is the most viable route to attract investment in this segment.

Source
FT Locations own analysis based fDi Markets database

Note
Sectors

Advanced manufacturing

Renewable energy

FT LOCATIONS

Executive summary

2. Which of REAL AZ's target segments offer the strongest potential for future inward investment attraction?

Tertiary segments

fDi Strategies' analysis identified two tertiary target segments for inward investment attraction:

Industrial equipment and automation: Firms in this segment manufacture and service robotics, precision tools, and automated production systems. While there's strong FDI activity at the national level, Arizona and REAL AZ have seen limited activity to date. As automation demand rises, this segment should remain on the radar, particularly where it intersects with modular housing but also cleantech production.

Specialized logistics: This segment includes firms handling time-sensitive, high-value shipments such as energy components. The low volume of recorded investment suggests limited immediate opportunity. However, as REAL AZ's industrial base scales, there may be future potential for logistics operators to serve regional clusters or support inbound supply chains linked to clean energy.

Source
FT Locations own analysis based fDi Markets database

Note
Sectors

Advanced manufacturing

Renewable energy

FT LOCATIONS

Executive summary

3. What are the key characteristics and demand drivers shaping the renewable energy and advanced manufacturing sectors in the United States and Arizona, and how do the location advantages of the REAL AZ Corridor position it to attract investment in these sectors?

Investment trends in REAL AZ's priority sectors point to a market that is both expanding and diversifying, with domestic and international investment flowing into segments tied to clean energy, housing, and modular construction. Domestic investment is driving scale in housing-related manufacturing across the US, with strong DDI activity in structural components and industrial buildings. Meanwhile, FDI is gaining momentum in capital-intensive segments like material suppliers for utility-scale renewables, where global players are delivering the highest CapEx and job creation per project. This contrast signals a dual opportunity for REAL AZ: to attract US firms seeking expansion-ready sites and position itself as a strategic entry point for international investors anchoring clean energy manufacturing.

The renewable energy and advanced manufacturing sectors are both undergoing rapid transformation driven by supply chain diversification, policy incentives, and rising domestic demand. In the US and Arizona, renewable energy growth is underpinned by rising electricity consumption (e.g. data centers and EVs), clean energy targets, and federal content requirements under the One Big Beautiful Bill Act. Meanwhile, advanced manufacturing is propelled by initiatives to reshore processing and value-added manufacturing activities, particularly for inputs to housing manufacturing, such as structural components made from steel. These trends are reinforced by ongoing housing demand, which is driving interest in modular and prefabricated construction solutions.

The REAL AZ Corridor is strategically positioned to attract investment in these sectors due to its access to rail and highway freight routes, availability of cost-competitive industrial land, and workforce training institutions like NPC and NAVIT. It offers strong sector alignment through anchor firms like ZenniHome, large-scale renewable infrastructure, and permitting-ready sites such as the I-40 Tradeport and Aztec Ranch. These location advantages support investment in high-impact segments including clean energy suppliers, industrial building developers, and component manufacturers.

Source
FT Locations, *fDi Strategies*

1 Asset mapping

What regional assets, infrastructure, and actors shape the investment potential of Apache and Navajo Counties, and how do they support the development of segments in renewable energy and advanced manufacturing??

Asset mapping summary

Our research on the existing ecosystem reveals the following key findings

Key findings

- **Abundant natural resources:** The region offers a foundational advantage in raw inputs (timber, solar, wind, and geologic minerals) alongside extensive, cost-accessible land.
- **Energy infrastructure:** REAL AZ hosts a growing mix of utility-scale solar, wind, and biomass projects, with coal sites transitioning to gas. Grid connectivity is a core asset, and as clean energy expands, planning is needed for long-term integration with developers, manufacturers, data centers etc.
- **Transportation network:** Interstate 40, the BNSF mainline, Apache Railway short line, and regional airports provide multimodal links to regional and cross-border trade hubs. However, last-mile logistics will require continued development to support clustering.
- **Digital infrastructure expansion**: A new 105-mile middle-mile fiber network in Navajo County boosts broadband access for homes, over 1,300 businesses and institutions, enhancing the region's attractiveness.
- **Workforce readiness:** Regionally specialized in building materials, heavy construction, repair services, and wood products. Institutions like NPC and NAVIT offer training aligned with modular housing and energy sector needs, while state-level players like ASU and NAU contribute through clean energy research and regional economic diversification initiatives.
- **Business ecosystem**: Anchor firms and newcomers benefit from a growing ecosystem supported by academic, research, and workforce institutions. Stronger linkages could accelerate commercialization and deepen local supply chains.
- **Incentives and institutional support**: Active local, state, and federal bodies provide targeted tax credits, workforce programs, and permitting support though access outside Arizona's larger communities remains a barrier.

Key segments identified

Renewable energy

1. **Material suppliers** to utility-scale renewable energy projects
2. **Heavy equipment providers**, contractors and operators involved in construction
3. **Service and maintenance firms** supporting long-term operations
4. **Specialized logistics firms** positioned to support development

Advanced manufacturing

1. **Interior systems and appliance suppliers** for housing
2. **Raw material and structural components suppliers** essential to housing fabrication
3. **Industrial equipment and automation firms**, including those focused on robotics
4. **Industrial building developers,** providing speculative and build-to-suit buildings

1 Asset mapping

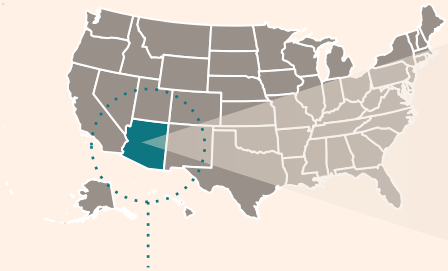
What regional assets, infrastructure, and actors shape the investment potential of Apache and Navajo Counties, and how do they support the development of segments in renewable energy and advanced manufacturing??

Methodology

Identifying assets, opportunities, and enablers across Navajo and Apache counties

The United States

Real GDP (2024 Q4): US$23,542.3 billion
Real GDP YoY growth: 1.99%

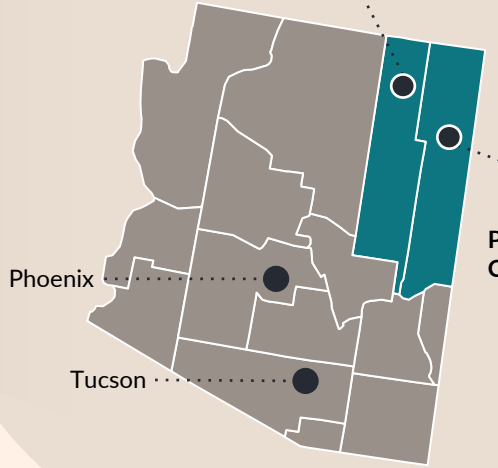


Arizona

Real GDP (2024 Q4): US$438,854.8 million
Real GDP YoY growth: 2.89%
Market share of national GDP: 1.9%

Navajo County

Population (2024): 110,846
CAGR (2020-2024): 0.94%



Apache County

Population (2024): 66,557
CAGR (2020-2024): 0.19%

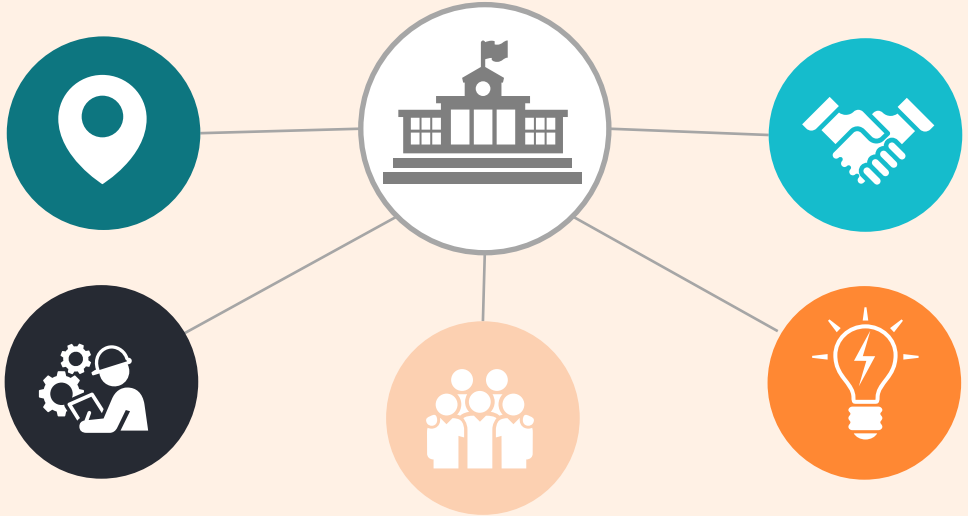
Source
FT Locations, *fDi Strategies*, based on BEA and Arizona Economy

Methodology

We assessed the Apache and Navajo counties ecosystem across 5 dimensions

Investment trends & motives
- FDI/Inter-state investment trends
- Sector-specific site selection criteria

Key infrastructure assets
- Development-ready sites
- Energy infrastructure
- Logistics and transportation
- Broadband, water and utilities



Policy, promotion & facilitation environment
- Incentives, tax advantages and grants
- Speed and ease of permitting

Innovation, clusters & business ecosystem
- Presence of anchor firms, supply participants, start-ups and customers
- Academic/R&D institutions
- Business incubators, accelerators and private funding access

Workforce & talent pipeline
- Availability of skilled labor and transferable talent
- Educational and training institutions
- Workforce development programs and partnerships

Source
FT Locations, *fDi Strategies*, based on Deloitte, *Accelerating smart manufacturing: The value of an ecosystem approach*, 2020 and UN PRI, *Impacting Investing Market Map*, 2018

Note
See Appendix A1 and A2 for models;
See Appendix A3 for questionnaire

Segment definition – Advanced Manufacturing

Target segments for advanced manufacturing defined around anchor firm needs and regional supply chain potential

ANCHOR

ZENNIHOME™

Zennihome is a prefabricated modular home manufacturer establishing operations in Snowflake, Navajo County

Zennihome is catalyzing the growth of a modular housing ecosystem in REAL AZ, creating demand for suppliers and industrial infrastructure to support scalable production.

SUPPLIERS

1. **Interior systems and appliance suppliers** for housing (e.g., Furniture, kitchen, lighting, appliances etc.)
2. **Raw material and structural components suppliers** essential to housing fabrication (e.g., steel, insulation, wall panels, roofing etc.)

ENABLERS

3. **Industrial equipment and automation firms** (e.g., robotics, production line systems, maintenance firms)
4. **Industrial building developers** (e.g., Build-to-suit or speculative facilities with warehouse/production space.)

Source
FT Locations, *fDi Strategies*, based on consultations with REAL AZ

Note
See Appendix A4 for definition

Segment definition – Renewable Energy

Target segments for renewable energy defined around developer activity and supporting supply/service ecosystems

REAL AZ has a strong pipeline of renewable energy developers but needs to attract the surrounding industrial ecosystem to support construction and long-term maintenance.

SUPPLIERS

1. **Material suppliers** to utility-scale renewable energy projects (e.g., cabling, transformers, panel frames, switchgear, mounting systems, etc.)
2. **Heavy equipment providers**, contractors and operators involved in construction (e.g., cranes, earth movers, etc.)

SERVICES

3. **Service and maintenance firms** supporting long-term operations
4. **Specialized logistics firms** positioned to support development

Source
FT Locations, *fDi Strategies*, based on consultations with REAL AZ

Note
See Appendix A4 for definition

1 Asset mapping

What regional assets, infrastructure, and actors shape the investment potential of Apache and Navajo Counties, and how do they support the development of segments in renewable energy and advanced manufacturing??

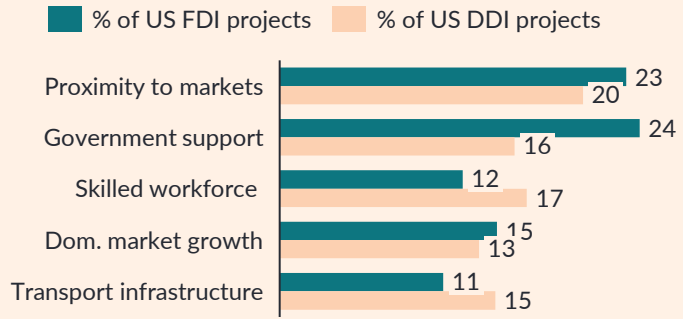
What drives investment in advanced manufacturing in the US?

Proximity to markets is a top driver, while national FDI trends highlight untapped potential for investor attraction

Overview of site selection criteria for sector

Companies investing in advanced manufacturing are primarily driven by proximity to markets, government support, and skilled workforce. Foreign investors place greater emphasis on policy and talent, while domestic investors lean slightly more toward domestic market growth and transport infrastructure.

% of US investments projects by location motive for sector[1]



Advanced manufacturing[2] investment trends, 2021-2024

No. of FDI projects by destination	2021	2022	2023	2024	CAGR % (2021-2024)
United States	101	101	132	136	10
Arizona	0	0	1	1	0

No. of DDI[3] projects by destination	2021	2022	2023	2024	CAGR % (2021-2024)
United States	187	112	132	199	2
Arizona	3	4	9	21	91

Source

FT Locations, *fDi Markets*. Data includes announced and opened projects and does not capture all FDI/DDI projects. Data excludes retail FDI/DDI.

Note

[1] A total of 592 motives have been recorded for 326 projects [2] See Appendix A4 for definition [3] DDI data shown reflects US interstate investment (i.e., projects by US-headquartered companies expanding or relocating across state lines).

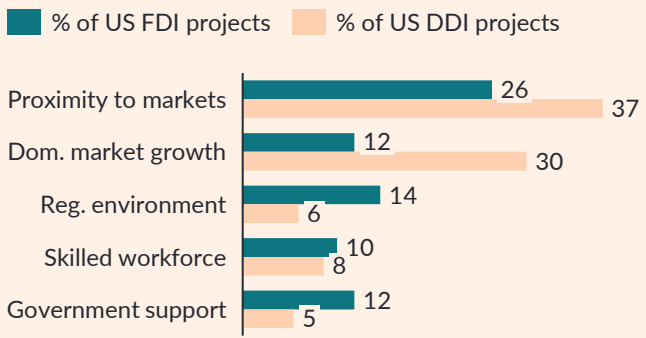
What drives investment in renewable energy in the US?

Proximity to growing markets is key for renewable energy investors; rising US FDI signals opportunity

Overview of site selection criteria for sector

In renewable energy, domestic projects are strongly market-led, prioritizing proximity to markets and domestic growth. Foreign investors, by contrast, are more influenced by the regulatory environment, government support, and a skilled workforce.

% of US investments projects by location motive for sector[1]



Renewable energy[2] investment trends, 2021-2024

No. of FDI projects by destination	2021	2022	2023	2024	CAGR % (2021-2024)
United States	22	35	57	66	44
Arizona	1	0	2	0	-100

No. of DDI[3] projects by destination	2021	2022	2023	2024	CAGR % (2021-2024)
United States	69	134	132	87	8
Arizona	1	4	8	4	59

Source
FT Locations, *fDi Markets*. Data includes announced and opened projects and does not capture all FDI/DDI projects. Data excludes retail FDI/DDI.

Note
[1] A total of 302 motives have been recorded for 172 projects [2] See Appendix A4 for definition [3] DDI data shown reflects US interstate investment (i.e., projects by US-headquartered companies expanding or relocating across state lines).

1 Asset mapping

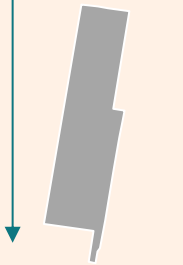
What regional assets, infrastructure, and actors shape the investment potential of Apache and Navajo Counties, and how do they support the development of segments in renewable energy and advanced manufacturing??

Natural resources & land advantage

Abundant raw materials, renewable energy potential, and land access

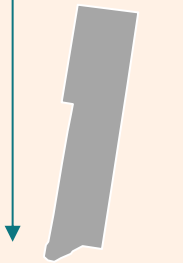
Navajo County

9,949.5 square miles



Apache County

11,198.3 square miles



The **REAL AZ Corridor** is rich in natural resources, including water, forest products and minerals. Open land is abundant, affordable and accessible.

Mineral and geologic assets
The REAL AZ Corridor has strong coal, oil, gas, uranium, lithium, copper, silver, gold, gypsum and salt resources. It is estimated that there are up to 2.5 billion tons of potash in the Holbrook, AZ basin, which could provide for up to 80 years of production.

Land availability
Navajo and Apache Counties span over 21,000 square miles, offering expansive land availability for development. Almost 66% of Navajo County's 9,949 square miles is Indian reservation land. Individual and corporate ownership accounts for 18%; the US. Forest Service and US Bureau of Land Management together control 9%; and the state of Arizona owns 5.9%. All of Navajo County is an Enterprise Zone.

Timber/wood supply
Northeastern Arizona hosts the largest contiguous stand of ponderosa pine in the world. Approximately 245,000 bone-dry tons of woody biomass are available annually across Apache, Navajo, and Coconino counties. This resource supports biomass energy and green construction opportunities, including mass timber and modular housing inputs.

Renewable energy resources
Apache and Navajo Counties receive 280–290 days of sunshine per year, with average solar insolation of 5–6 kWh/m²/day. The White Mountains region offers strong wind potential with speeds between 6–8 meters/second, and elevated ridges in Apache County meet feasibility thresholds for wind turbines. The region also offers geothermal development potential, particularly in Springerville and St. Johns.

Source:
FT Locations, *fDi Strategies*, based on secondary research

Energy infrastructure

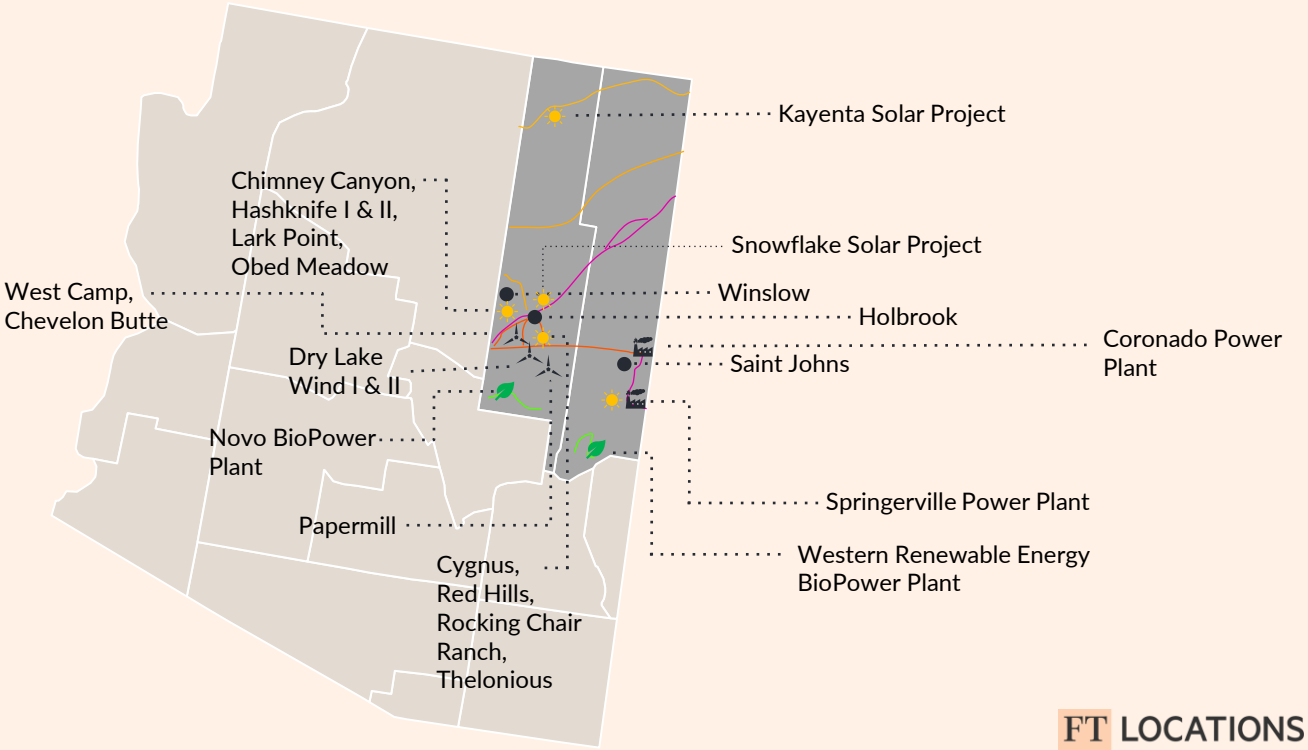
Robust energy assets and grid connectivity position the REAL AZ corridor for future infrastructure growth

Assets

- Solar
- Wind
- Biomass
- Coal

Electric transmission lines

- DC
- Under 100 volts
- 100-161 volts
- 220-287 volts
- 345 volts
- 500 volts



Source:
FT Locations, *Zoomprospector* and Navajo County IT GIS

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Energy infrastructure

Key energy assets serving the Navajo and Apache county communities

Springerville Power Plant
Owner: Tucson Electric Power
Location: Springerville, Apache County
Type: Coal & solar
Coal capacity: 1,765.8 MW
Solar capacity: 13.4 MW

Kayenta Solar Project
Owner: NGI-Kayenta Solar
Location: Kayenta, Navajo County
Type: Solar
Capacity: 27.3 MW

Coronado Power Plant
Owner: Salt River Project
Location: St Johns, Apache County
Type: Coal (natural gas conversion est. 2029)
Capacity: 821.8 MW

Dry Lake Wind I & II
Owner: Avangrid
Location: Herber, Navajo County
Type: Wind
DLW I capacity: 63 MW
DLW II capacity: 65.1 MW

Source
FT Locations, *fDi Strategies*, based on secondary research

Note
The Cholla Power Plant, a coal-fired generation plant, is decommissioned as of March 2025. Calls to reopen the plant from state and federal representatives, including the Trump administration, would require US$1.9 billion in funding to bring the facility up to code and back online.

Logistics & transportation assets

Strategically located with multimodal access to regional and interstate transport networks

Time and distance to key trade hubs
from Winslow

Destination	Road (Time/Distance)	Rail access
Flagstaff, AZ	58 mins/58 miles	BNSF Line
Phoenix, AZ	3 hrs/ 185 miles	BNSF Line
Albuquerque, NM	3 hrs 53 mins/ 265 miles	BNSF Line
Los Angeles, CA	8 hrs/ 523 miles	BNSF Line
Nogales, MX	5 hrs 30 mins/ 345 miles	BNSF via Phoenix + Union Pacific
El Paso, TX	7 hrs 28 mins/ 461 miles	BNSF Line

Source:
FT Locations, *fDi Strategies*, based on secondary research

FT LOCATIONS

Logistics & transportation assets

Key logistics & transportation assets serving the Navajo and Apache county communities

Road network
Navajo and Apache counties have a combined road network spanning 6,400 miles. Apache County maintains around 3,500 miles of roads, while Navajo County accounts for approximately 2,900 miles. This extensive coverage supports local access and regional connectivity.

Major highways
The region is linked by key east–west corridors, including Interstate 40, which runs through Navajo County, and US Route 60, which crosses Apache County. These routes connect communities and facilitate the movement of goods across Arizona and beyond.

Burlington Northern Santa Fe (BNSF) Railway
Both counties are served by the BNSF Railway, which operates a mainline through western Navajo County. The line connects to multiple rail yards and intermodal facilities, providing reliable freight access to regional and national markets.

Airports
The nearest commercial airport is Gallup–McKinley County Airport in New Mexico, around 60 miles from Apache County and 85 miles from Navajo County. The region is also served by regional airports such as Show Low and Springerville, supporting executive and cargo flights.

Source
FT Locations, *fDi Strategies*, based on primary and secondary research

Industrial development opportunities

Sites offering multimodal access, utility-ready infrastructure, and scalable space to support advanced manufacturing and renewable energy investment

Small-to-medium industrial sites with development potential

Eagar Old Sawmill (Apache County)
Two industrial parcels (84 and 40 acres) owned by Western Renewable Energy, located in Eagar.

St Johns Airport (Apache County)
A 47-acre site available with runway access at St Johns Airport.

Show Airport (Navajo County)
A 250 acres, I-1 zoned large industrial site located in the Opportunity Zone adjacent to the Airport Industrial Park and close to Show Low Airport.

Joseph City Area (Navajo County)
Three land parcels available for development spanning 57, 42 and 27 acres.

Holbrook Area (Navajo County)
Large land parcel along I-40, in close proximity to Airport, BNSF and Petrified Forest

Master-planned and large-scale investment-ready sites

I-40 Tradeport Winslow (Navajo County)
A large-scale industrial development zone strategically positioned near the City of Winslow and I-40. Key features include designated rail- and non-rail-served zones for industrial use, a dedicated area for data center development, and parcels allocated for solar energy generation. The Tradeport benefits from multimodal connectivity through proximity to the BNSF rail line, Winslow Airport, and the Lindbergh bypass., positioning the industrial park as a strategic location for large-scale investment.

Aztec Ranch Industrial District (Navajo County)
A master-planned industrial area located adjacent to State Route 277, approximately 13 miles west of Snowflake in Navajo County. The district offers a total of up to 1,570 acres zoned for light and heavy industrial use. These sites benefit from direct access to the Apache Railway, a shortline connection to the BNSF transcontinental rail network at Holbrook. They also offer robust utility infrastructure, with has active queue positions with APS and SRP for delivering between 250 and 800 MW of power. With access to industrial-scale utilities, abundant acreage, and proximity to workforce centers such as Snowflake and Taylor, the district is well-positioned to support major investment in advanced manufacturing and renewable energy.

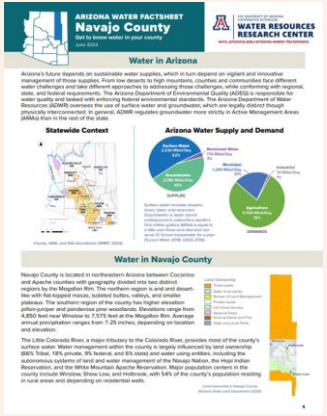
Source
FT Locations, *fDi Strategies*, based on consultations with REAL AZ

Water infrastructure

Sustainable water access supporting growth and resilience

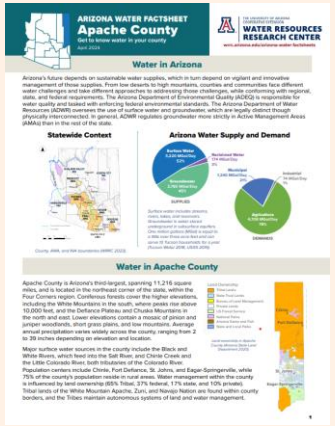
Key features of the region's water infrastructure and management system:

- **Primary supply sources**: Groundwater is the dominant source in both counties, supplying 94% of total water use in Apache and 73% in Navajo. Surface water from the Little Colorado, Black, and White Rivers supplements supply, particularly in Tribal areas.
- **Water usage**: In Apache County, 62% of water use supports thermoelectric power generation at the Springerville Power Plant, while 25% is municipal. In Navajo County, municipal, aquaculture, and irrigation account for nearly 90% of use.
- **Regulatory environment**: Neither county lies within a designated Active Management Area (AMA), but both are subject to statewide conservation rules including the Adequate Water Supply program.
- **Infrastructure investment**: Upgrades such as irrigation system modernization and the White Mountain Apache Rural Water System are improving efficiency, expanding storage, and enhancing delivery capacity.
- **Water management**: Water previously used in coal-fired power plants is becoming available for reallocation to future industrial users, supporting new investment. It also creates a strategic opportunity to accelerate the region's transition toward solar and wind energy.



Navajo County Water Factsheet

Apache County Water Factsheet



Source:
FT Locations, *fDi Strategies*, based on The University of Arizona, Water Resources Research Center, *Arizona Water Factsheets*, 2024

Broadband Infrastructure

Expanding digital access to support industry, workforce, and remote operations

Key features of the region's digital connectivity landscape:

- **Access:** Approximately 53.3% of households in Apache County and 71.3% in Navajo County have a broadband internet subscription. However, many households rely on satellite connections, which are often less reliable and slower than fiber or fixed wireless alternatives.
- **Expanding fiber backbone**: Both counties are included in Arizona's Statewide Middle-Mile Network, with infrastructure running along I-40 and US-60. This network improves regional access to affordable, high-speed internet for industry and households.
- **Local access points**: Towns such as Holbrook, Show Low, and St. Johns have existing broadband service from providers like Sparklight, Frontier, and T-Mobile, supporting commerce, remote work, and virtual learning.
- **Federal and state funding**: Both counties are recipients of broadband expansion funding through the BEAD program, NTIA Tribal Broadband Connectivity Program, and Arizona's Rural Broadband Development Grants.
- **Relevance to investors**: Reliable broadband enables remote monitoring, real-time data exchange, and digital supply chain systems, particularly for advanced manufacturing and energy projects.

April 2024 - The Navajo County Board of Supervisors and eX² Technology, a communications infrastructure group, announcing the start of construction on a new 105-mile open-access, dark fiber middle-mile network in the area of northeastern Arizona.

Source:
FT Locations, *fDi Strategies*, based on primary and secondary research

1 Asset mapping

What regional assets, infrastructure, and actors shape the investment potential of Apache and Navajo Counties, and how do they support the development of segments in renewable energy and advanced manufacturing??

Employment in industries aligned with target sectors

Strong regional concentration indicates readiness, but county-level disparities suggest uneven opportunity

Industry	Apache County		Navajo County		REAL AZ Corridor			Arizona	
	Jobs	% of total	Jobs	% of total	Jobs	% of total	LQ	Jobs	% of total
General construction	42	1.96	1,100	5.59	1,142	5.24	0.78	159,106	6.72
Building materials, hardware & garden	32	1.49	791	4.02	823	3.77	2.67	33,296	1.41
Heavy construction	9	0.42	609	3.1	618	2.83	2.13	31,420	1.33
Repair & maintenance services	23	1.07	393	2	416	1.91	1.22	37,268	1.57
Stone, glass and concrete	-	0	99	0.5	99	0.45	1.32	8,044	0.34
Wood products	9	0.42	87	0.44	96	0.44	2.59	4,112	0.17
Furniture manufacturing	-	0	21	0.11	21	0.1	0.36	6,612	0.28
Metals fabrication	-	0	9	0.05	9	0.04	0.04	24,734	1.05
Total (including other industries)	2,142	-	19,661	-	21,803	-	-	2,366,512	-

Source
FT Locations, *fDi Strategies*, based on Applied Geographic Solutions, 2024

Note
Location Quotient (LQ) measures industry concentration in the REAL AZ Corridor relative to the state average. An LQ above 1.0 indicates a higher-than-average regional presence in that industry.

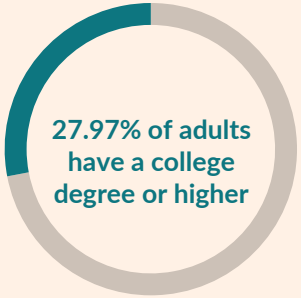
Assessing workforce readiness in the REAL AZ Corridor

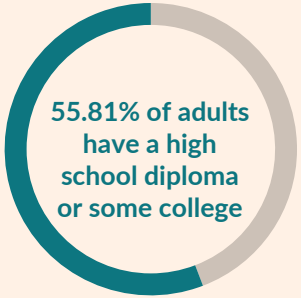
Demographic, labor force, and education insights reveal opportunities to enhance workforce pipeline

The REAL AZ Corridor has a total population of **175,134**, with approximately **141,504** residents of working age (15–64). Within this, **62,064** participate in the labor force, resulting in a workforce participation rate of 43.9% - notably lower than the Arizona state average of 51.9%

The REAL AZ Corridor has a labor force of 62,064, of which **92.5%** are employed and **7.3%** are unemployed, while 74,644 residents are not participating in the labor force. At a state level, 94.9% of Arizona's labor force is employed suggesting challenges in connecting REAL AZ residents to job opportunities.

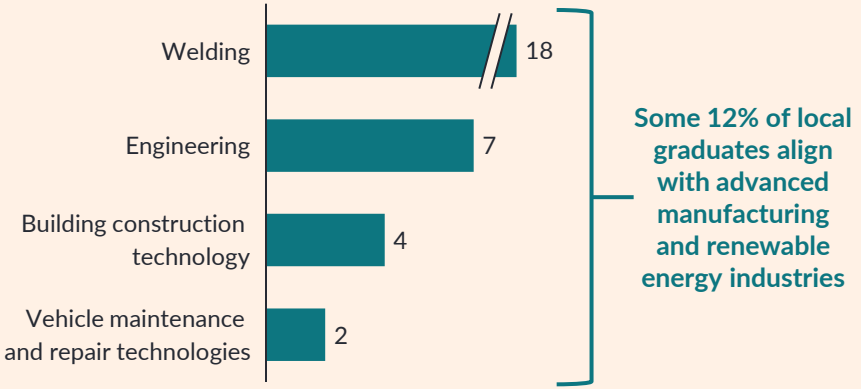
Education attainment levels in REAL AZ Corridor





Compared to the state level in Arizona, the REAL AZ Corridor has a lower share of college-educated residents and a higher share without a high school diploma.

Number of annual graduates in REAL AZ Corridor within relevant study areas



Source:
FT Locations, *fDi Strategies*, based on Applied Geographic Solutions, 2024

Academic institutions

Strengthening the talent pipeline in Navajo and Apache counties

Northland Pioneer College (NPC)
NPC is a public community college serving the communities of northeastern Arizona. Campuses are located in four of the largest Navajo County communities in Holbrook, Snowflake, Winslow and Show Low, its primary campus.

Key features
- Approximately 6,000 students enrolled annually
- NPC offers bachelor's and associate degrees, career and technical education
- Offers seamless pathway (2NAU) to Northern Arizona University (NAU) in Flagstaff

Relevant pathways
- Associate of Applied Science (direct to work programs)
- Bachelor of Applied Science
- Bachelor of Applied Management
- Associate degrees in Automotive Technology (composed of automotive service operations and electrical systems & engines), Industrial Technology Trades (Electrical & instrumentation, HVAC, mechanical maintenance, power & alternative energy), and Welding

Northern Arizona Vocational Institute of Technology (NAVIT)
NAVIT provides high school students in 11 host school districts across northeastern Arizona with access to career and technical education (CTE).

Key features
- Approximately 3,355 students attend programs on college campuses, through partnerships with NPC and Gila Community College (GCC)
- Supported by strong industry partnerships (e.g., APS, Salt River Project, Northern Arizona Training Center)

Relevant pathways
- Welding
- Industrial Trade Trades
- Automotive Technology
- Construction
- Cybersecurity

Source
FT Locations, *fDi Strategies*, based on primary and secondary research

1 Asset mapping

What regional assets, infrastructure, and actors shape the investment potential of Apache and Navajo Counties, and how do they support the development of segments in renewable energy and advanced manufacturing??

Innovation and skills ecosystem enablers

Key institutions driving education, research, and workforce readiness in the REAL AZ corridor

Type	Description	Key players
Academic institutions	*Academic institutions are dedicated to education and research, and provide grants for academic degrees and research*	Northland Pioneer College; NAU Northern Arizona University; Diné College; San Carlos Apache College; NAVIT; ASU Arizona State University
R&D service providers	*Private or publicly funded R&D organizations which are engaged in specialized research and development work*	ASU Just Energy Transition Center, Arizona State University; ASU Arizona State University; LightWorks
Workforce program initiatives	*Institutions or organizations offering concentrated courses on practical and job-ready technical skills*	Arizona@Work Innovative Workforce Solutions; SCITECH Institute; Grow Arizona workforce network; Arizona WRISE Women of Renewable Industries and Sustainable Energy

Source:
FT Locations, *fDi Strategies*, based on primary and secondary research

Note
Click on the logos to learn about the organization's activities

Innovation support and entrepreneurial development ecosystem

Key facilitators enabling start-up growth, commercialization, and innovation partnerships

Type	Description	Key players
Incubators/accelerators	*Organizations that help start-ups and entrepreneurs develop their business by providing services such as management training, office space and potentially VC financing*	Two underway (1 in Show Low and 1 in Winslow) with 2027 start dates.
Private funding institutions	*Non-government entities which are engaged in funding to businesses/start-ups such as Private Equity or Venture Capital Firms*	SBA U.S. Small Business Administration; DESERT ANGELS; AZ-VC; ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
Collaboration and networking initiatives	*Cross-stakeholder initiatives and organizations with the aim to increase innovation, commercialization and networking*	ARIZONA ADVANCED MANUFACTURING COALITION; ARIZONA ENERGY CONSORTIUM; ARIZONA MANUFACTURING EXTENSION PARTNERSHIP; MANUFACTURING EXTENSION PARTNERSHIP National Network

Source:
FT Locations, *fDi Strategies*, based on primary and secondary research

Note
Click on the logos to learn about the organization's activities

Spotlight on industry stakeholders

Institutions supporting energy transition, workforce development, and regional innovation in REAL AZ

Company	Description
ASU Just Energy Transition Center, Arizona State University	*The ASU Just Energy Transition (JET) Center engages directly with communities affected by coal plant closures, including those in northeastern Arizona. The JET Center works with ASU LightWorks, the US Economic Development Agency and Just Transition Fund to support **economic resilience and clean energy transitions**. Through extensive regional research and policy development, the Center has produced several Navajo and Apache County-specific studies including the Cholla Power Plant Reuse Strategy, Labor Assessments, and Regional Economic Strategy Reports.*
ASU Arizona State University LightWorks	*LightWorks is Arizona State University's **clean energy innovation hub and accelerator**, advancing research in solar, bioenergy, and sustainable fuels. The program supports statewide and regional decarbonization through applied research, including biomass utilization and ecosystem restoration. LightWorks has collaborated with the Northern Arizona University Ecological Research Institute to explore forest biomass and wildfire resilience strategies relevant to communities in Navajo and Apache counties.*
NAU Northern Arizona University	*NAU's Economic Policy Institute assists Arizona's rural, tribal, and northern business communities in their economic development endeavors by delivering **training, information, technical assistance, and business support services**. It conducts research on coal transition, workforce shifts, and community planning. The institute plays an active role in helping Navajo and Apache counties evaluate economic diversification strategies in response to energy system transitions.*
ARIZONA@WORK™ Innovative Workforce Solutions	*ARIZONA@WORK Northeastern Arizona provides **workforce training, job placement, and talent pipeline support** across Navajo and Apache counties. The organization is central to connecting residents with employment opportunities tied to renewable energy and advanced manufacturing in the REAL AZ region.*

Source:
FT Locations, *fDi Strategies* based on primary and secondary research

Business ecosystem

Regional actors supporting advanced manufacturing and renewable energy growth

Source:
FT Locations, *fDi Strategies* based on primary and secondary research

Note
Click on the logos to learn about the organization's activities

Spotlight on businesses

Innovative firms helping shape the advanced manufacturing and renewable energy ecosystem in REAL AZ

Company	Description
ZENNIHOME	*ZenniHome specializes in building **modular homes** that are constructed in a controlled factory environment and delivered and assembled on-site. The company is based in Page, Arizona. In April 2025, ZenniHome announced its plans to located in Snowflake. The 300,000 sq ft facility is projected to create 200 new jobs with the first phase planned to begin in the Fall of 2025, which will produce 6-8 units per day. The second phase of the project is anticipated to begin in 2027 and will create over 1,000 total new jobs and produce 20 units per day.*
Carbon Utility	*Carbon Utility is a Tucson, Arizona-based company focused on **producing sustainable, carbon-negative commercial gas, fuels, and materials**. The firm's proprietary technology converts CO2 and green hydrogen (H2) supporting commercial pathways in products like zero carbon food-grade CO2, green H2 for power generation, e-methanol, e-SAF, speciality chemicals and sustainable carbon fiber. The company is positioned to decarbonizes supply chains.*
BTE BLACKTEAL ENERGY	*BlackTeal Energy is a clean energy company producing **battery management systems and energy storage solutions**. BlackTeal develops it own technologies and collaborates with companies to provide design-to-spec and build-to-print solutions tailored for large-scale energy projects. The company is well-positioned to partner with anchor firms and investors deploying clean tech and distributed energy solutions in northeastern Arizona.*
higherwire Energy Solutions, Elevated	*HigherWire Energy Solutions provides **energy storage and microgrid systems** for industrial and utility-scale clients. The company develops elevated, containerized battery storage units and advanced energy management solutions, tailored for rural, remote, and resilience-driven infrastructure. HigherWire's technology and expertise can support renewable energy developers and utilities across REAL AZ with grid-balancing and backup solutions.*

Source:
FT Locations, *fDi Strategies* based on primary and secondary research

1 Asset mapping

What regional assets, infrastructure, and actors shape the investment potential of Apache and Navajo Counties, and how do they support the development of segments in renewable energy and advanced manufacturing??

Institutional ecosystem supporting investment and development

Key government and public-private actors at regional, state, and federal levels

Type	Description	Key players
REAL AZ corridor government and private-public partners	*REAL AZ corridor-based government bodies*	REAL AZ; Seal of Navajo County, Arizona; City of Holbrook, AZ; Show Low; Winslow Chamber of Commerce; NACOG Northern Arizona Council of Governments (Apache • Coconino • Navajo • Yavapai); Holbrook Arizona Chamber of Commerce; St. Johns Regional Chamber of Commerce; Snowflake Taylor Chamber of Commerce
Arizona State government and private-public partners	*State government bodies*	Arizona; AZ Office of Economic Opportunity; Arizona State Land Department; Arizona Department of Water Resources; Arizona Commerce Authority; aps; SRP; Arizona Department of Environmental Quality
Federal government and private-public partners	*Federal government bodies*	Department of Commerce; Department of Energy; Department of the Treasury; Economic Development Administration; USDA; Department of the Interior Bureau of Indian Affairs; SelectUSA

Source:
FT Locations, *fDi Strategies*, based on primary and secondary research

Note
Click on the logos to learn about the organization's activities

Spotlight on institutional stakeholders

Government partners supporting investor attraction, facilitation and retention

Company	Description
REAL AZ	*REAL AZ is northeastern Arizona's economic development engine representing Navajo and Apache counties. The organization leads collaborative efforts to promote industrial development, investment readiness, and generate investor leads. REAL AZ works closely with municipalities, site owners, and utilities to market available properties and coordinate responses to investor inquiries.*
ARIZONA COMMERCE AUTHORITY	*The Arizona Commerce Authority (ACA) is the state's leading economic development agency. It works to advance the attraction of companies to Arizona, works with existing companies to grow their business in- and out- of state, and partners with companies to create new jobs. ACA also administers incentives such as the sales tax exemptions for manufacturing, tax credits for new job creation and facility investment, as well as accelerated depreciation to reduce property tax.*
ARIZONA STATE LAND DEPARTMENT	*The Arizona State Land Department (ASLD) manages approximately 9.2 million acres of state trust land, including industrial land in Navajo and Apache counties. The department plays a key role in facilitating land entitlement, lease agreements, and public-private development partnerships. ASLD's collaboration is essential for unlocking shovel-ready land and coordinating large-scale energy and industrial site planning in the region.*
SELECTUSA	*SelectUSA is the US government's economic development organization housed within the US Department of Commerce. It helps international companies explore and invest in locations across the United States, including rural and energy transition regions. There's potential for SelectUSA to connect the region to global investors, providing guidance on incentives, regulatory frameworks, and comparative advantages.*

Source:
FT Locations, *fDi Strategies* based on primary and secondary research

Incentives and programs supporting investment (1/2)

Federal programs available or emerging to support investment in northeastern Arizona

FEDERAL

One Big Beautiful Bill (OBBB) Act: Start to phase out green tax credits passed in the Biden-era Inflation Reduction Act. Credits will continue for wind and solar projects which either start construction by June 2026 or which go online by December 2027. In contrast, the OBBB largely preserves tax credits into the next decade for newer clean energy technologies, like battery storage and carbon capture. All tax credits now subject to ownership and sourcing restrictions. This includes denial of credits for projects sourcing components from Chinese-affiliated companies.

Investment tax credit (ITC) and production tax credit (PTC): Two primary federal incentives for renewable energy projects. The ITC reduces upfront capital costs, while the PTC rewards long-term electricity generation. Under the One Big Beautiful Bill (OBBB), both credits face an accelerated phase-out for solar and wind projects, with stricter deadlines, domestic content thresholds, and new restrictions on foreign ownership and sourcing.

Advanced manufacturing tax credit: Post-OBBB, the tax credit for wind components sold after 2027 will be terminated, while solar components must meet rising US content thresholds, starting at 50% in 2026 and rising annually to 80% in 2029. Inverters and battery components are also subject to the rising material assistance thresholds, increasing the potential increasing the potential for a cluster of domestic manufacturing to emerge in regions that can offer shovel-ready sites, workforce pipelines, and compliant US-sourced supply chains for renewable energy projects.

Qualifying Advanced Energy Project Credit (48C) Program: A US-wide program offering enhanced investment tax credits incentivizing and anchoring investments in clean energy manufacturing facilities and the good-paying jobs that go along with them to strengthen the economies of coal communities and other areas that have experienced underinvestment in past decades.

Opportunity Zones: Provide federal incentives for certain types of long-term, productive investments in low-income urban and rural communities nationwide, with six zones in total spread over the REAL AZ Corridor. Specifically, it offers capital gains tax deferral for investments in designated census tracts, including parts of Winslow, Holbrook, and Show Low.

Source:
FT Locations, *fDi Strategies* based on primary and secondary research

Incentives and programs supporting investment (2/2)

State and local programs available or emerging to support investment in northeastern Arizona

STATE

- **The Qualified Facility tax credit (A.R.S. § 41-1512):** A refundable income tax credit for companies establishing or expanding a manufacturing or R&D facility in Arizona. Eligible projects can receive up to 10% of capital investment or $20,000–$30,000 per net new job, with an annual cap of $30 million per company.
- **The Qualified Jobs tax credit (A.R.S. § 41-1525):** Encourages business investment and the creation of high-quality employment opportunities. It offers up to $9,000 of Arizona income or premium tax credits spread over a three-year period for each net new qualifying job ($3,000 per year).
- **Sales tax exemptions for manufacturing (A.R.S. § 42-5159):** Exemptions are available for machinery or equipment used directly in manufacturing and/or research and development, machinery, equipment or transmission lines used directly in producing or transmitting electrical power, but not including distribution, and electricity or natural gas for businesses that are engaged in manufacturing.
- **Healthy Forest Enterprise incentive (A.R.S. § 41-1516):** Provides incentives for certified businesses that are primarily engaged in harvesting, processing or transporting of qualifying forest products.
- **Additional Depreciation (HB2822):** Encourages new capital investment in Arizona by reducing the taxable value of most business personal property, resulting in substantially lower personal property tax liabilities for businesses.

LOCAL

- **Workforce development initiatives:** NPC and ZenniHome are building a local talent pipeline, while statewide initiatives like the Arizona Advanced Technology Network, FUTURE48, and NAVIGATOR, also offer training and connect workers to jobs.
- **The Navajo County Zoning Ordinance:** Navajo County maintains flexible zoning classifications for industrial and renewable energy development, including streamlined Special Use Permits (SUP[1]) and rezoning processes. Projects may also benefit from coordinated reviews through the county's development services division. Apache County is currently reviewing its land ordinance regulations.

Source:
FT Locations, *fDi Strategies* based on primary and secondary research

Note
Special Use Permits (SUP) in Navajo County. Conditional Use Permits (CUP) in Apache County.

2 Segment prioritization

What are the priority inward investment target segments for REAL AZ?

Segment prioritization summary

2.1 Methodology

2.2 Segment prioritization results

2.3 Findings from data analysis and literature review

Segment prioritization summary

Target segments in order of priority

High-level findings: Displayed below is the eight target segments identified by overall ranking and categorized by level of importance.

Sectors: Advanced manufacturing Renewable energy

Primary segments

- Material suppliers for utility-scale renewable energy
- Industrial building development
- Raw material and structural components for housing

Secondary segments

- Interior systems and appliance suppliers
- Operation & Maintenance services
- Heavy equipment providers

Tertiary segments

- Industrial equipment and automation
- Specialized logistics

fDi Strategies' analysis has prioritized Real AZ's target segments into three recommended tiers of opportunity for lead generation and marketing activities[1].

Source
FT Locations own analysis based fDi Markets database

Note
[1] See appendix A6 for tiering framework

Segment prioritization summary

Primary priority segments (1/3)

Material suppliers for utility-scale renewable energy has been identified as one of the **primary segments for investor targeting,** given **strong greenfield FDI inflows into the United States (US)** and **very strong alignment with the reshoring of cleantech supply chains** and **Real AZ's renewable energy development pipeline.**

4.69

1. Material suppliers for utility-scale renewable energy

- **Ranked 1st overall** among all target segments, including joint 2nd in supply, 2nd in demand, and 1st in impact performance.
- **Arizona demonstrates revealed comparative advantage (RCA[1])** in this segment for both FDI (1.08) and DDI (1.14), indicating a strong relative competitiveness nationally.
- Ranked **3rd by number of greenfield FDI projects** into the US (128 projects, 2021–Apr 2025).
- Ranked **2nd by total FDI CapEx** (US$31.5bn) and **1st for FDI job creation** (40,682 jobs) into the US.
- FDI project volumes in this segment grew by **15.2% between 2023 and 2024**, signalling accelerating investor activity.
- In Arizona, this segment recorded the **highest volume of FDI projects, CapEx, and job creation** across all target segments.
- Ranked **5th by number of DDI projects** and **3rd by DDI CapEx and DDI job creation** into the US, underscoring its dual FDI–DDI relevance.
- Delivers the **highest impact per project in the US** based on CapEx and job creation and **ranks 2nd in Arizona** on these same impact metrics.

Source
FT Locations own analysis based on various databases including fDi Markets, Real AZ documents and desk research

Note
X Overall Segment Score. Segments are scored on a relative scale of 1-5 (5 being the best score).
[1] RCA for FDI is used to identify segment that have a relative advantage and hence have strong underlying competitive advantages in relation to other segments. A score greater than 1 indicates the location has a competitive advantage for the segment.

Segment prioritization summary

Primary priority segments (2/3)

Industrial building development has been identified as one of the **primary segments for investor targeting,** given the current shortage of move-in ready facilities in REAL AZ and the opportunity to attract industrial real estate developers who can deliver pre-built space and unlock wider investment.

4.66

2. Industrial building development

- **Ranked 2nd overall** across all target segments, driven by strong scores across supply, demand, and impact indicators.
- **Generated over US$5.6 billion in FDI CapEx and 6,932 jobs** from 31 greenfield FDI projects into the US (2021–Apr 2025).
- **Arizona demonstrates a revealed comparative advantage (RCA)** in this segment for both FDI (1.49) and DDI (3.06).
- **2nd fastest-growing segment by FDI CapEx and projects** in the US between 2023 and 2024.
- **Ranked 2nd in Arizona by FDI CapEx and job creation**, reflecting strong investor impact at the state level.
- **3rd largest DDI segment by project volume**, and ranked 2nd in DDI CapEx and 1st in DDI job creation nationally.
- **Ranked 1st in Arizona by number of DDI projects** (24 projects, 2021–Apr 2025), and 1st in both DDI CapEx (US$4.1 billion) and job creation (5,328 jobs).
- **Delivers high average CapEx and job creation per project in Arizona**, underscoring its role in infrastructure readiness and long-term investor appeal.

Source
FT Locations own analysis based on various databases including fDi Markets, Real AZ documents and desk research

Note
X Overall Segment Score. Segments are scored on a relative scale of 1-5 (5 being the best score).

Segment prioritization summary

Primary priority segments (3/3)

Raw material and structural components for housing has been identified as one of the **primary segments for investor targeting, given REAL AZ's recent attraction of an anchor modular housing manufacturer** and potential to build on this momentum through further investments **strengthening local supply chains.**

4.26

3. Raw material and structural components for housing

- **Ranked 3rd overall** among all target segments, driven by a strong supply-side score (4.4) and the highest demand-side score (5.0).
- **Ranked 1st in asset mapping consultation and literature review**, reflecting alignment with local capabilities.
- **The top-performing FDI segment at a national-level**, the segment ranked first by volume of FDI projects (303 projects), FDI CapEx (US$40 billion) and FDI job creation (36,934) in the US. It also had the highest number of investing companies (231) and recorded a 19.1% increase in FDI projects between 2023 and 2024.
- **Ranked 3rd for both FDI CapEx and FDI jobs in Arizona**, exhibiting strong performance at state-level.
- **Leading DDI segment nationally**, ranked 1st by number of DDI projects (334 projects) and total DDI CapEx (US$28.5 billion), and 2nd for DDI job creation (32,507 jobs).
- **In Arizona**, ranked 3rd for DDI project volume, **2nd for DDI CapEx**, and **3rd for DDI job creation**, underscoring its consistent performance across both foreign and US inter-state investors.

Source
FT Locations own analysis based on various databases including fDi Markets, Real AZ documents and desk research

Note
X Overall Segment Score. Segments are scored on a relative scale of 1-5 (5 being the best score).

Segment prioritization summary

Secondary priority segments

Interior systems and appliance suppliers, Operation & Maintenance services, and heavy equipment providers are designated as segments to consider for highly targeted lead generation activities in top ranked source markets. These segments may also serve as additional target segments in other markets once identified.

3.86 4. Interior systems and appliance suppliers

- **Ranked 4th overall among all target segments,** with the joint highest supply-side score (5.0).
- **Recorded 26 greenfield FDI projects into the US**, with US$1.3 billion in CapEx and 4,477 jobs; however, the lower project volume within this segment contributed to a more moderate demand-side score.
- **The US attracted 51 DDI projects** in this segment between 2021-Apr 2025, valued at US$2.2 billion and creating 7,250 jobs.
- **Arizona demonstrates a revealed comparative advantage (RCA)** in this segment for DDI (2.15). The state welcomed 5 DDI projects, worth US$340.3 million. The segment also saw more than 1,200 jobs created.

3.65 5. Operation & Maintenance services

- **Ranked 5th overall,** with the joint highest supply-side score (5.0), albeit the joint lowest impact score (1.0) due project size within the segment.
- **Recorded 38 greenfield FDI projects into the US**, with US$268 million in CapEx and 932 jobs.
- **Delivered 282 DDI projects into the US**, with a combined US$1.6 billion in CapEx and 6,224 jobs.
- **Arizona demonstrates a revealed comparative advantage (RCA)** in this segment for FDI (1.22), although this is based on a low project base, with just one inward FDI project recorded during the period. As such, it should not be interpreted as a sustained competitive advantage.

2.90 6. Heavy equipment providers

- **Ranked 6th overall**, with a modest supply-side score (4.1) and relatively low performance across demand and impact pillars.
- **Delivered 16 FDI projects into the US**, totaling US$96 million in CapEx and 392 jobs.
- **Generated 64 DDI projects nationally**, with US$364 million in CapEx and 1,673 jobs, indicating a strong base of expanding US companies.
- **Arizona attracted 2 DDI projects** in this segment, equating to US$11.6 million and 38 jobs.

Source
FT Locations own analysis based on various databases including fDi Markets, Real AZ documents and desk research

Note
X Overall Segment Score. Segments are scored on a relative scale of 1-5 (5 being the best score).

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Segment prioritization summary

Tertiary priority segments

Industrial equipment and automation and specialized logistics are designated as watchlist segments for inward investment. We recommend monitoring investor interest over the medium to long term and only engaging in active company targeting for clearly identified, investment-ready opportunities.

2.48 7. Industrial equipment and automation

- **Ranked 7th overall**, with strong FDI activity but limited performance in Arizona and weak growth indicators.
- **Attracted 148 FDI projects into the US**, generating US$3.7 billion in CapEx and 15,759 jobs between 2021–Apr 2025.
- **Arizona recorded no FDI projects and just 1 DDI project**, suggesting underperformance in this segment.
- Despite high national volumes, the segment recorded a **27.1% decline in FDI project activity between 2023 and 2024**

2.21 8. Specialized logistics

- **Ranked lowest overall**, driven by weak performance across all three pillars, with zero FDI and DDI projects recorded in Arizona.
- **Delivered just 10 FDI projects nationally**, totaling US$126 million in CapEx and 499 jobs, the 2nd lowest amongst the target segments.
- **National DDI activity was limited to 4 projects in the US**, creating 164 jobs.

Source
FT Locations own analysis based on various databases including fDi Markets, Real AZ documents and desk research

Note
X Overall Segment Score. Segments are scored on a relative scale of 1-5 (5 being the best score).

2 Segment prioritization

What are the priority inward investment target segments for REAL AZ?

Methodology

Overview of dataset segmentation used for REAL AZ target sector analysis

Source:
REAL AZ and FT Locations

Note:
[1] See Appendix A4 for segment definitions

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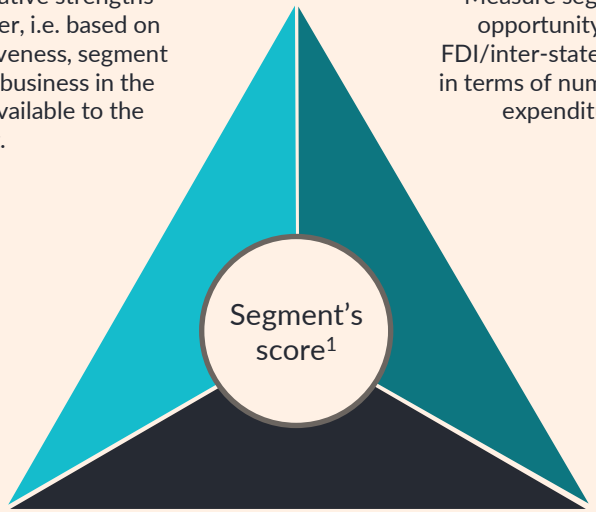
Methodology

Segment prioritization based on key demand, supply, and impact pillars for FDI and US inter-state investment

1. SUPPLY (Location offering)
Measure segment's relative strengths looking at Real AZ's offer, i.e. based on segment overall attractiveness, segment specialization, existing business in the segment, incentives available to the segment.

2. DEMAND (FDI opportunity)
Measure segment's FDI potential opportunity level, i.e. based on FDI/inter-state trends in the segment in terms of number of projects, capital expenditure, jobs created.



3. IMPACT (Project impact)
Measure segment's impact on potential jobs creation and capital expenditure by project in each segment.

Pillar[1]	Weighting
1. SUPPLY	50%
2. DEMAND	30%
3. IMPACT	20%

To position Real AZ most effectively, the focus (highest weighting) has been put on existing strengths (SUPPLY) to identify the segments that present established competitive advantages.

Notes:

- See appendix A5 for details on prioritization analysis, and results.
- The analysis focuses on the sector and segment level, while opportunities in sub-sectors/value chains will be highlighted in the target market profiles.

Source
FT Locations own analysis based on various databases including fDi Markets, Real AZ documents and desk research

Note
[1] Segments are scored on a relative scale of 1-5 (5 being the best score)

2 Segment prioritization

What are the priority inward investment target segments for REAL AZ?

Segment prioritization summary

2.1 Methodology

2.2 Segment prioritization results

2.3 Findings from data analysis and literature review

OVERALL: Segment prioritization results

Performance of target segments across pillars and final score

Segment prioritization standardized score by pillar heatmap[1] and final score [1-5]; 5 = max

Lower Score — Higher Score

Analysis	SUPPLY SIDE Based on data analysis and literature review	DEMAND SIDE Based on data analysis	IMPACT Based on data analysis	Final weighted score[2]	
Weightings	50%	30%	20%		
Material suppliers to utility-renewable energy	4.71	4.47	5.00	4.69	Primary
Industrial building construction	4.71	4.53	4.75	4.66	
Raw material and structural suppliers for housing	4.41	5.00	2.75	4.26	
Interior systems and appliance suppliers for housing	5.00	2.35	3.25	3.86	Secondary
Operation & Maintenance services	5.00	3.15	1.00	3.65	
Heavy equipment suppliers and operators	4.12	2.14	1.00	2.90	
Industrial equipment and automation	2.65	2.87	1.50	2.48	Tertiary
Specialized logistics	2.35	2.78	1.00	2.21	

Source
FT Locations own analysis based on various databases including fDi Markets, REAL AZ documents and desk research

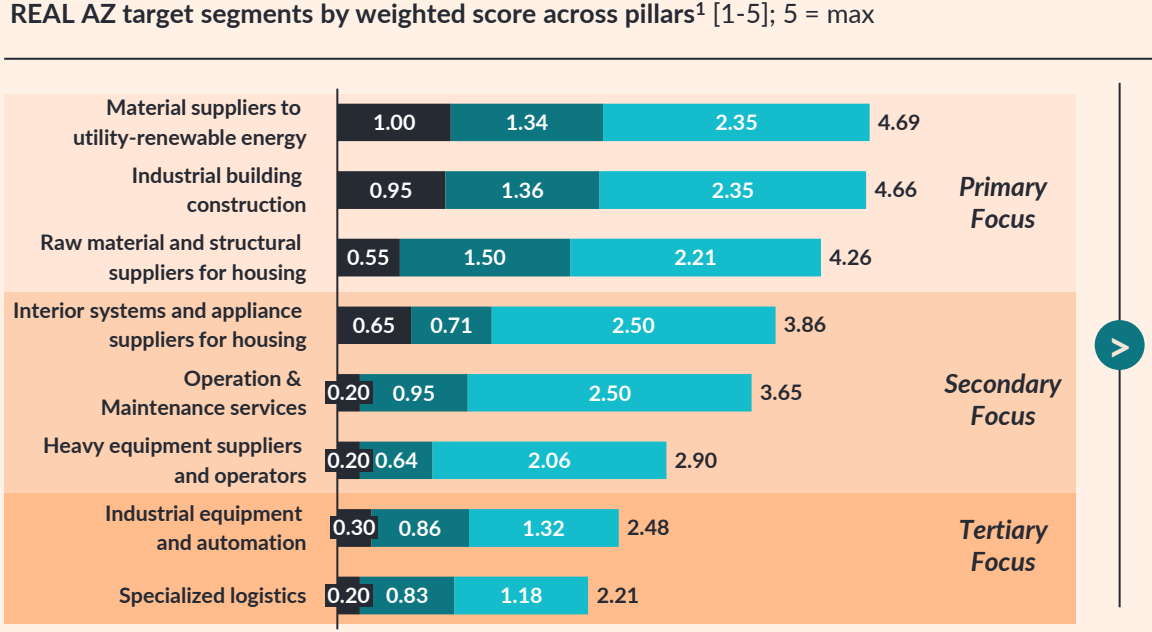
Note
[1] Pillars scores are standardized
[2] Segments are scored on a relative scale of 1-5 (5 being the best score)

FT LOCATIONS

OVERALL: Segment prioritization results

Material suppliers to renewable energy, industrial building construction and raw material and structural suppliers for housing are the highest potential target segments for REAL AZ, ranking highest in the segment prioritization model

REAL AZ target segments by weighted score across pillars[1] [1-5]; 5 = max



- **The top-performing segments** stand out for their strong performance across all three pillars, particularly high supply-side scores, reflecting Arizona's comparative advantage and REAL AZ's local asset alignment.
- **Within the demand pillar**, the primary segments show solid to high investor activity, while lower-tier segments fall behind due to weaker investment volumes and growth, at a national and local level.
- **Impact scores highlight where segments can deliver the most value per project**. Notably, cleantech suppliers and construction-linked projects score highest on CapEx and jobs per project, while services and logistics segments underperform in relative terms, reinforcing their lower strategic prioritization.

Source
FT Locations own analysis based on various databases including fDi Markets, REAL AZ documents and desk research

Note
[1] The graph displays **weighted** pillar scores, clarifying the difference from the previous table, which shows non-weighted pillar scores, Ex: XX: Supply: 50% (weight) of 5 (score) = **2.5**

ADVANCED MANUFACTURING: Segment prioritization results

Performance of target advanced manufacturing segments across pillars and final score

Segment prioritization standardized score by pillar heatmap[1] and final score [1-5]; 5 = max

Lower Score — Higher Score

Analysis	SUPPLY SIDE Based on data analysis and literature review	DEMAND SIDE Based on data analysis	IMPACT Based on data analysis	Final weighted score[2]	
Weightings	50%	30%	20%		
Industrial building construction	4.71	4.53	4.75	4.66	Primary
Raw material and structural suppliers for housing	4.41	5.00	2.75	4.26	
Interior systems and appliance suppliers for housing	5.00	2.35	3.25	3.86	Secondary
Industrial equipment and automation	2.65	2.87	1.50	2.48	Tertiary

Source
FT Locations own analysis based on various databases including fDi Markets, REAL AZ documents and desk research

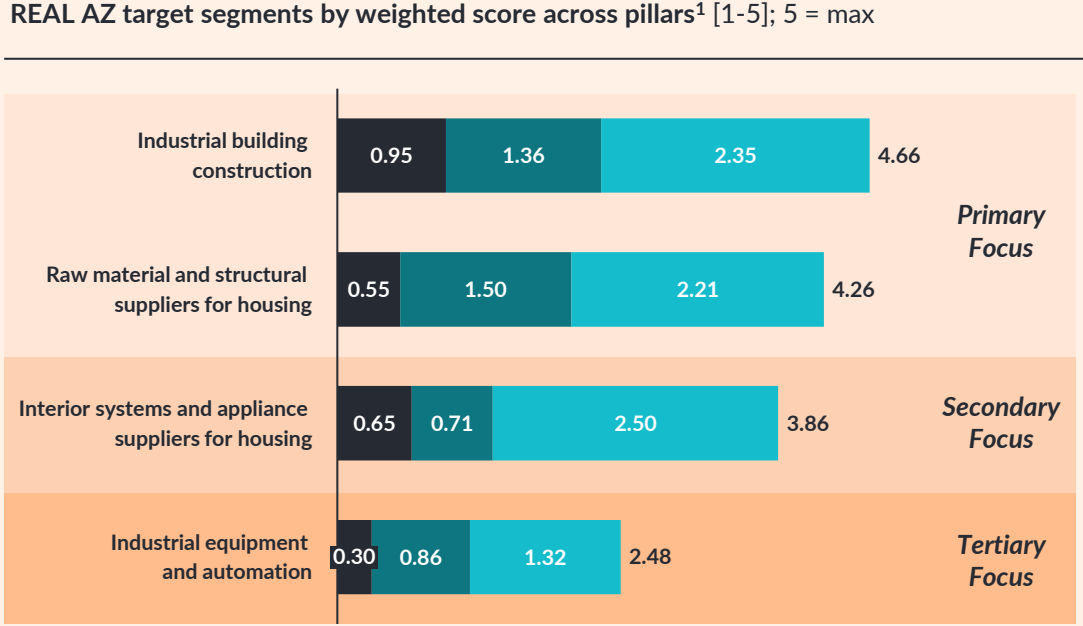
Note
1 Pillars scores are standardized
2 Segments are scored on a relative scale of 1-5 (5 being the best score)

FT LOCATIONS

ADVANCED MANUFACTURING: Segment prioritization results

Segments linked to construction and housing supply chains lead in advanced manufacturing, driven by strong investor activity and regional offering

REAL AZ target segments by weighted score across pillars[1] [1-5]; 5 = max



- **Industrial building construction** emerges as the top-performing segment, underpinned by strong national and state-level investor activity and a high-impact profile. Its strategic value is reinforced by growing demand for build-to-suit industrial facilities, which enhance location readiness and reduce time-to-market for investors.
- **Raw material and structural suppliers for housing** also perform strongly, standing out for exceptional demand-side scores, reflecting high levels of FDI activity into the US and US inter-state investment in Arizona for this segment.
- **Interior systems and industrial automation segments** show more mixed results, with solid local capacity but relatively limited investor demand or project impact, suggesting they may be best suited for selective promotion or long-term ecosystem development.

Source
FT Locations own analysis based on various databases including fDi Markets, REAL AZ documents and desk research

Note
[1] The graph displays **weighted** pillar scores, clarifying the difference from the previous table, which shows non-weighted pillar scores, Ex: XX: Supply: 50% (weight) of 5 (score) = **2.5**

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RENEWABLE ENERGY: Segment prioritization results

Performance of target renewable energy segments across pillars and final score

Segment prioritization standardized score by pillar heatmap[1] and final score [1-5]; 5 = max

Lower Score — Higher Score

	SUPPLY SIDE	DEMAND SIDE	IMPACT	Final weighted score[2]	
Analysis	Based on data analysis and literature review	Based on data analysis	Based on data analysis		
Weightings	50%	30%	20%		
Material suppliers to utility-renewable energy	4.71	4.47	5.00	4.69	Primary
Operation & Maintenance services	5.00	3.15	1.00	3.65	Secondary
Heavy equipment suppliers and operators	4.12	2.14	1.00	2.90	Secondary
Specialized logistics	2.35	2.78	1.00	2.21	Tertiary

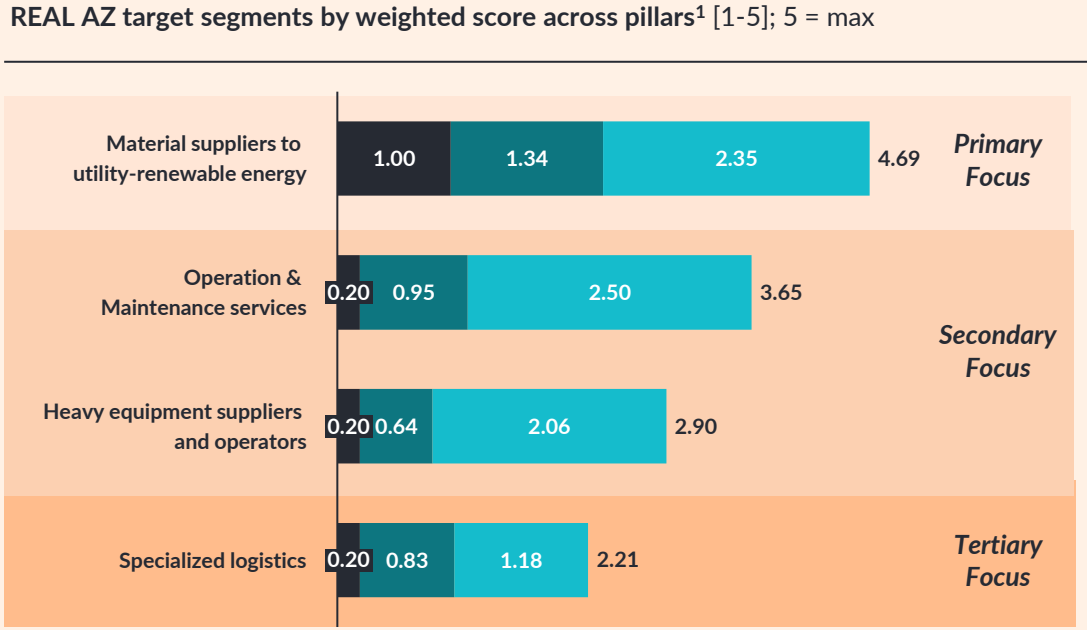
Source
FT Locations own analysis based on various databases including fDi Markets, REAL AZ documents and desk research

Note
1 Pillars scores are standardized
2 Segments are scored on a relative scale of 1-5 (5 being the best score)

RENEWABLE ENERGY: Segment prioritization results

While multiple segments show strong supply-side potential, material suppliers to utility-scale renewable energy stands out for its investment activity and project-level impact

REAL AZ target segments by weighted score across pillars[1] [1-5]; 5 = max



- **Material suppliers to utility-scale renewable energy** stand out across all pillars, driven by the region's strong location offering, alongside the cadence and value of project activity.
- **Operation & Maintenance services and heavy equipment segments** show moderate opportunity, supported by strong local capabilities but constrained by lower average project impact and more limited recent investment activity.
- **Specialized logistics ranks lowest**, primarily due to weak demand-side and impact metrics, suggesting limited current FDI relevance and a more supporting role within the broader energy ecosystem.

Source
FT Locations own analysis based on various databases including fDi Markets, REAL AZ documents and desk research

Note
[1] The graph displays **weighted** pillar scores, clarifying the difference from the previous table, which shows non-weighted pillar scores, Ex: XX: Supply: 50% (weight) of 5 (score) = **2.5**

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2 Segment prioritization

What are the priority inward investment target segments for REAL AZ?

Segment prioritization summary

2.1 Methodology

2.2 Segment prioritization results

2.3 Findings from data analysis and literature review

SUPPLY: Performance of target segments

Overall and breakdown of supply side scoring

Segment prioritization score by supply indicators heatmap [1-5]; 5 = max

Lower Score — Higher Score

	RCA of segment FDI project numbers for Arizona compared to the United States	RCA of segment FDI project numbers for REAL AZ compared to Arizona[2]	RCA of segment DDI project numbers for Arizona compared to the United States	RCA of segment DDI project numbers for REAL AZ compared to Arizona[2]	Asset mapping consultation and literature review analysis	Pillar score[1]
Sources	fDi markets with FT Locations calculations	fDi markets with FT Locations calculations	fDi markets with FT Locations calculations	fDi markets with FT Locations calculations	FT Locations calculations	
Weightings	17%	17%	17%	17%	17%	
Interior systems and appliance suppliers for housing	0.2	0.3	0.8	0.3	1.2	2.8
Operation & Maintenance services	0.8	0.3	0.3	0.3	1.0	2.8
Material suppliers to utility-renewable energy	0.7	0.3	0.5	0.3	0.8	2.7
Industrial building construction	0.8	0.3	0.8	0.3	0.3	2.7
Raw material and structural suppliers for housing	0.2	0.3	0.3	0.3	1.3	2.5
Heavy equipment suppliers and operators	0.2	0.3	0.3	0.3	1.2	2.3
Industrial equipment and automation	0.2	0.3	0.2	0.3	0.5	1.5
Specialized logistics	0.2	0.3	0.2	0.3	0.3	1.3

Source
FT Locations own analysis based on various databases including fDi Markets, REAL AZ databases, and desk research

Note
[1] Segments are scored on a relative scale of 1-5 (5 being the best score).
[2] REAL AZ did not record an RCA > 1 in any segment compared to Arizona. A standardized score of 0.3 was applied across segments to reflect relative performance in the scoring model.

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SUPPLY: Highlight of Arizona RCA findings

Arizona has a revealed comparative advantage* (RCA) in 3 target segments for FDI and DDI each

Arizona revealed comparative advantage scores (RCA)

Sector	Arizona RCA for greenfield FDI project numbers compared to United States (2021-Apr 2025)	Arizona RCA for greenfield DDI project numbers compared to United States (2021-Apr 2025)
Industrial building construction	1.49	3.06
Material suppliers to utility-renewable energy	1.08	1.14
Interior systems and appliance suppliers for housing	0.00	2.15
Operation & Maintenance services	1.22	0.86
Raw material and structural suppliers for housing	0.15	0.59
Heavy equipment suppliers and operators	0.00	0.69
Industrial equipment and automation	0.00	0.21
Specialized logistics	0.00	0.00

A score of more than 1 indicates that a location has a revealed comparative advantage in the segment for FDI.

Revealed comparative advantage: RCA for FDI/DDI is used to identify segments that have a relative advantage and hence have strong underlying competitive advantages in relation to other segments. The calculation used is shown below with DDI replacing FDI where relevant:

$$\text{RCA} = \frac{FDI_{Arizona\ segment} / FDI_{Arizona\ total}}{FDI_{US\ segment} / FDI_{US\ total}}$$

- Based on fDi Strategies' analysis, Arizona has an RCA compared to the United States **in industrial building construction and material suppliers to utility-scale renewable energy** for FDI and DDI; **operation & maintenance services** for FDI only; **and in interior systems and appliance suppliers for housing** for DDI only.
- The REAL AZ Corridor does not hold an RCA in any target segment, albeit findings from asset mapping identified sector strengths and enabling infrastructure. This suggests that the REAL AZ region may be underperforming rather than lacking competitiveness, highlighting the need for sharper positioning and strategic investor targeting.

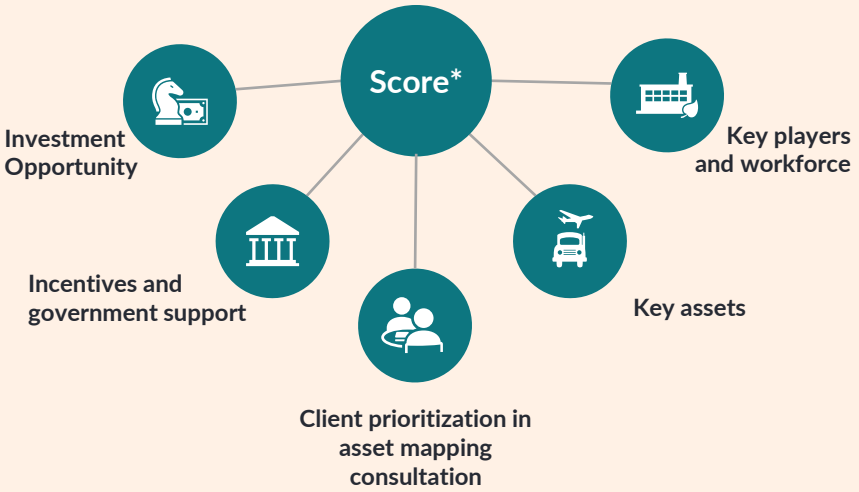
Source
FT Locations, based on data on greenfield (both new and expansion) FDI from fDi Markets database from 2021-Apr 2025

Note
*RCA for projects is the most reliable indicator when there are low project numbers captured in the sectoral data. DDI data shown reflects US interstate investment (i.e. projects by US-headquartered companies expanding or relocating across state lines).

SUPPLY: Highlight of asset mapping and key literature review findings

REAL AZ Corridor ranks highest for Raw material and structural suppliers for housing based on asset mapping consultation and literature review

Assessment methodology



Selected segments for the asset mapping literature review analysis ranked

Rank	Segment	Scores[1]
1	Raw material and structural suppliers for housing	4
2	Interior systems and appliance suppliers for housing	3.5
3	Heavy equipment suppliers and operators	3.5
4	Material suppliers to utility-renewable energy	3
5	Operation & Maintenance services	3
6	Industrial building construction	1.5
7	Industrial equipment and automation	1.5
8	Specialized logistics	1

Source
FT Locations, *fDi Strategies*, based on asset mapping consultation with REAL AZ and literature review

Note
[1] Segments are scored on a relative scale of 1-5 (5 being the best score) based on the client's prioritization of segments during asset mapping consultation and literature relating to that segment.

DEMAND: Performance of target segments (1/3)

Overall and breakdown of demand side scoring

Segment prioritization score by demand indicators heatmap [1-5]; 5 = max

Lower Score — Higher Score

	US, FDI Projects	US, FDI CapEx	US, number of new FDI jobs	US, number in FDI companies	US, growth in FDI projects	US, growth in FDI CapEx	US, growth in number of new jobs
Sources	**fDi Markets**	**fDi Markets**	**fDi Markets**	**fDi Markets**	**fDi Markets**	**fDi Markets**	**fDi Markets**
Weightings	**7%**	**5%**	**5%**	**5%**	**5%**	**5%**	**5%**
Raw material and structural suppliers for housing	0.35	0.25	0.25	0.25	0.10	0.10	0.10
Industrial building construction	0.07	0.10	0.10	0.05	0.15	0.15	0.15
Material suppliers to utility-renewable energy	0.21	0.25	0.25	0.15	0.10	0.05	0.05
Operation & Maintenance services	0.14	0.05	0.05	0.10	0.05	0.10	0.15
Industrial equipment and automation	0.28	0.10	0.15	0.20	0.05	0.05	0.05
Specialized logistics	0.07	0.05	0.05	0.05	0.25	0.25	0.25
Interior systems and appliance suppliers for housing	0.07	0.05	0.05	0.05	0.10	0.10	0.10
Heavy equipment suppliers and operators	0.07	0.05	0.05	0.05	0.15	0.10	0.10

Source
FT Locations own analysis based on fDi Markets

Note
[1] Segments are scored on a relative scale of 1-5 (5 being the best score).

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DEMAND: Performance of target segments (2/3)

Overall and breakdown of demand side scoring

Segment prioritization score by demand indicators heatmap [1-5]; 5 = max

Lower Score — Higher Score

	Arizona, FDI Projects	Arizona, FDI CapEx	Arizona, number of new FDI jobs	REAL AZ, FDI Projects	REAL AZ, FDI CapEx	REAL AZ, number of new FDI jobs	US, FDI (% of total investment)
Sources	**fDi Markets**	**fDi Markets**	**fDi Markets**	**fDi Markets**	**fDi Markets**	**fDi Markets**	**fDi Markets**
Weightings	**7%**	**5%**	**5%**	**2%**	**2%**	**1%**	**2%**
Raw material and structural suppliers for housing	0.21	0.10	0.10	0.04	0.04	0.02	0.06
Industrial building construction	0.21	0.15	0.15	0.04	0.04	0.02	0.02
Material suppliers to utility-renewable energy	0.35	0.25	0.25	0.04	0.04	0.02	0.08
Operation & Maintenance services	0.21	0.10	0.10	0.04	0.04	0.02	0.02
Industrial equipment and automation	0.07	0.10	0.10	0.04	0.04	0.02	0.08
Specialized logistics	0.07	0.10	0.10	0.04	0.04	0.02	0.10
Interior systems and appliance suppliers for housing	0.07	0.10	0.10	0.04	0.04	0.02	0.04
Heavy equipment suppliers and operators	0.07	0.10	0.10	0.04	0.04	0.02	0.02

Source
FT Locations own analysis based on fDi Markets

Note
[1] Segments are scored on a relative scale of 1-5 (5 being the best score).

DEMAND: Performance of target segments (3/3)

Overall and breakdown of demand side scoring

Segment prioritization score by demand indicators heatmap [1-5]; 5 = max

Lower Score — Higher Score

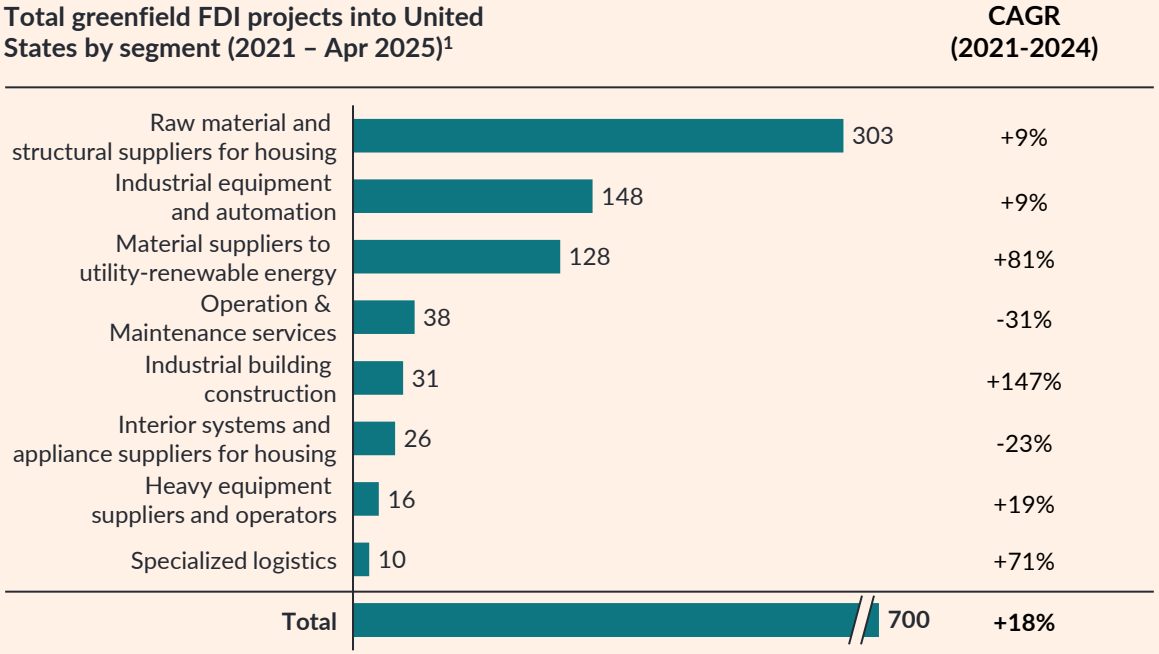
	US, DDI Projects	US, DDI CapEx	US, number of new DDI jobs	Arizona, DDI Projects	Arizona, DDI CapEx	Arizona, number of new DDI jobs	REAL AZ, DDI Projects	REAL AZ, DDI CapEx	REAL AZ, number of new DDI jobs	Pillar score[1]
Sources	fDi Markets	fDi Markets	fDi Markets	fDi Markets	fDi Markets	fDi Markets	fDi Markets	fDi Markets	fDi Markets	
Weightings	7%	5%	5%	7%	5%	5%	2%	2%	1%	
Raw material and structural suppliers for housing	0.35	0.25	0.25	0.21	0.10	0.15	0.04	0.04	0.02	3.38
Industrial building construction	0.21	0.25	0.25	0.35	0.25	0.25	0.04	0.04	0.02	3.06
Material suppliers to utility-renewable energy	0.14	0.20	0.15	0.14	0.10	0.10	0.04	0.04	0.02	3.02
Operation & Maintenance services	0.35	0.05	0.05	0.21	0.10	0.10	0.04	0.04	0.02	2.13
Industrial equipment and automation	0.14	0.05	0.10	0.07	0.10	0.05	0.04	0.04	0.02	1.94
Specialized logistics	0.07	0.05	0.05	0.07	0.05	0.05	0.04	0.04	0.02	1.88
Interior systems and appliance suppliers for housing	0.07	0.05	0.05	0.14	0.10	0.15	0.04	0.04	0.02	1.59
Heavy equipment suppliers and operators	0.07	0.05	0.05	0.07	0.10	0.05	0.04	0.04	0.02	1.45

Source
FT Locations own analysis based on fDi Markets

Note
[1] Segments are scored on a relative scale of 1-5 (5 being the best score).

DEMAND: Highlight of key findings

The leading target segment by greenfield FDI project numbers is raw material and structural suppliers for housing followed by industrial equipment and automation and material suppliers to utility-renewable energy



In the post-pandemic period (2021-2024), overall greenfield FDI in REAL AZ's target segments grew by 18% CAGR.

Of the target segments, **raw material and structural suppliers for housing registered the largest greenfield FDI project numbers** between 2021-Apr 2025, with 303 projects. Industrial equipment and automation ranked as the second largest pool of greenfield FDI in this period, with 148 projects. Material suppliers to utility-scale renewable energy also showed strong momentum, growing at a rate of 81% CAGR.

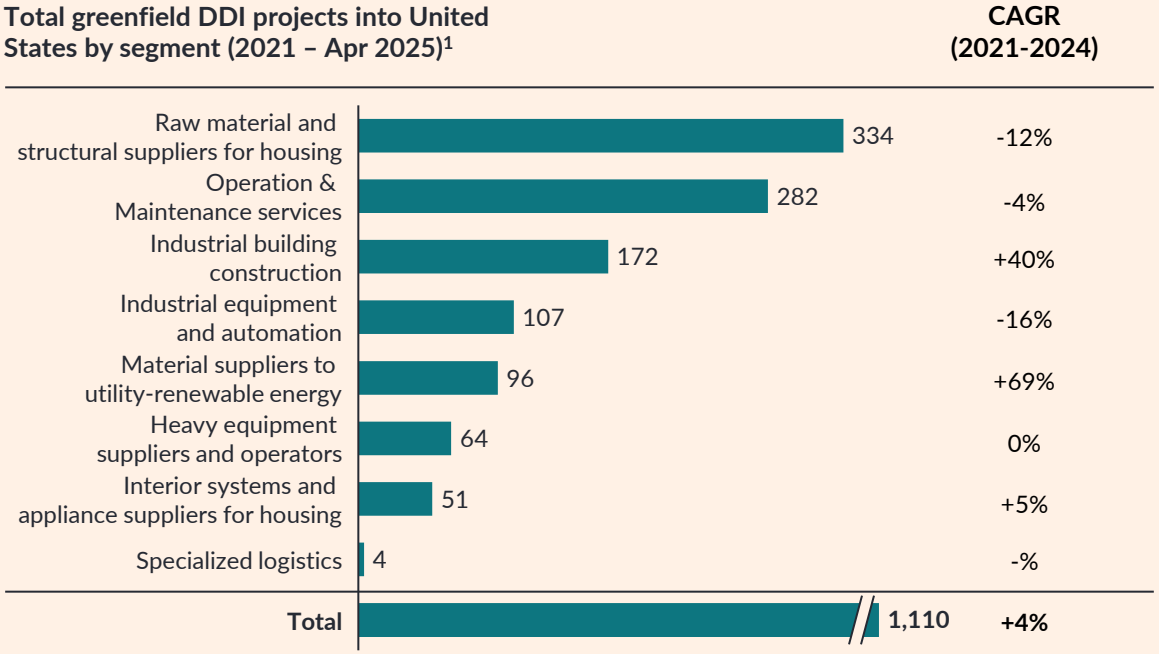
Whilst **industrial building construction recorded a high growth rate** in this period for greenfield FDI, the **project numbers recorded are significantly lower** than the higher priority segments and have started from a significantly lower base in 2021 compared to 2024.

Source
FT Locations own analysis based on fDi Markets

Note
[1] Break added to the segment total column (Not to scale)

DEMAND: Highlight of key findings

The leading target segment by greenfield DDI project numbers is raw material and structural suppliers for housing, followed by operation & maintenance services and industrial building construction



In the post-pandemic period (2021-2024), overall greenfield DDI[2] in REAL AZ's target segments grew by 4% CAGR.

Raw material and structural suppliers for housing attracted the highest volume of greenfield DDI projects (334) between 2021 and April 2025, followed by **operation & maintenance** services (282). However, both segments saw declining growth rates over the period.

Industrial building construction stood out with a 40% CAGR, reflecting growing interstate interest in facility development despite a lower total number of projects. **Material suppliers to utility-renewable energy** also saw strong momentum, growing by 69% CAGR, reinforcing its dual relevance for both FDI and DDI.

Source
FT Locations own analysis based on fDi Markets

Note
[1] Break added to the segment total column (Not to scale)
[2] Domestic Direct Investment (Inter-State Investment in the United States)

DEMAND: Highlight of key findings

Specialized logistics, followed by industrial equipment and automation, registered the highest figure for FDI as a % of total direct investment of all the target segments

United States, FDI and DDI (% of total direct investment) (2021-Apr 2025)

Segment	FDI as a % of total direct investment projects into the United States	DDI as a % of total direct investment projects into the United States
Material suppliers to utility-renewable energy	57.1%	42.9%
Industrial building construction	15.3%	84.7%
Raw material and structural suppliers for housing	47.6%	52.4%
Interior systems and appliance suppliers for housing	33.8%	66.2%
Operation & Maintenance services	11.9%	88.1%
Heavy equipment suppliers and operators	20.0%	80.0%
Industrial equipment and automation	58.0%	42.0%
Specialized logistics	71.4%	28.6%

Most target segments for REAL AZ are driven more heavily by DDI than FDI, however several segments buck this trend which may present stronger opportunities for international promotion.

Specialized logistics, industrial equipment and automation, and material suppliers to utility-scale renewable energy show a higher share of FDI over DDI, indicating these segments are more internationally contestable and driven by cross-border investment.

Conversely, segments like **operation & maintenance services**, **industrial building construction**, and **heavy equipment suppliers** are dominated by DDI. Meanwhile, **raw material and structural suppliers for housing** stands out with a near-even split (48% FDI vs. 52% DDI).

Source
FT Locations own analysis based on fDi Markets

IMPACT: Performance of target segment

Overall and breakdown of impact side scoring

Segment prioritization score by impact indicators heatmap [1-5]; 5 = max

Lower Score — Higher Score

	United States – Average CapEx Level per project	United States – Average new jobs Level per project	Arizona – Average CapEx Level per project	Arizona – Average new jobs Level per project	Pillar score[1]
Sources	fDi Markets	fDi Markets	fDi Markets	fDi Markets	
Weightings	25%	25%	25%	25%	
Material suppliers to utility-renewable energy	1.25	1.25	1.25	1.25	5
Industrial building construction	1.25	1.00	1.25	1.25	4.75
Interior systems and appliance suppliers for housing	0.50	0.75	0.75	1.25	3.25
Raw material and structural suppliers for housing	0.75	0.50	0.75	0.75	2.75
Industrial equipment and automation	0.25	0.50	0.25	0.50	1.5
Operation & Maintenance services	0.25	0.25	0.25	0.25	1
Heavy equipment suppliers and operators	0.25	0.25	0.25	0.25	1
Specialized logistics	0.25	0.25	0.25	0.25	1

Source
FT Locations own analysis based on fDi Markets

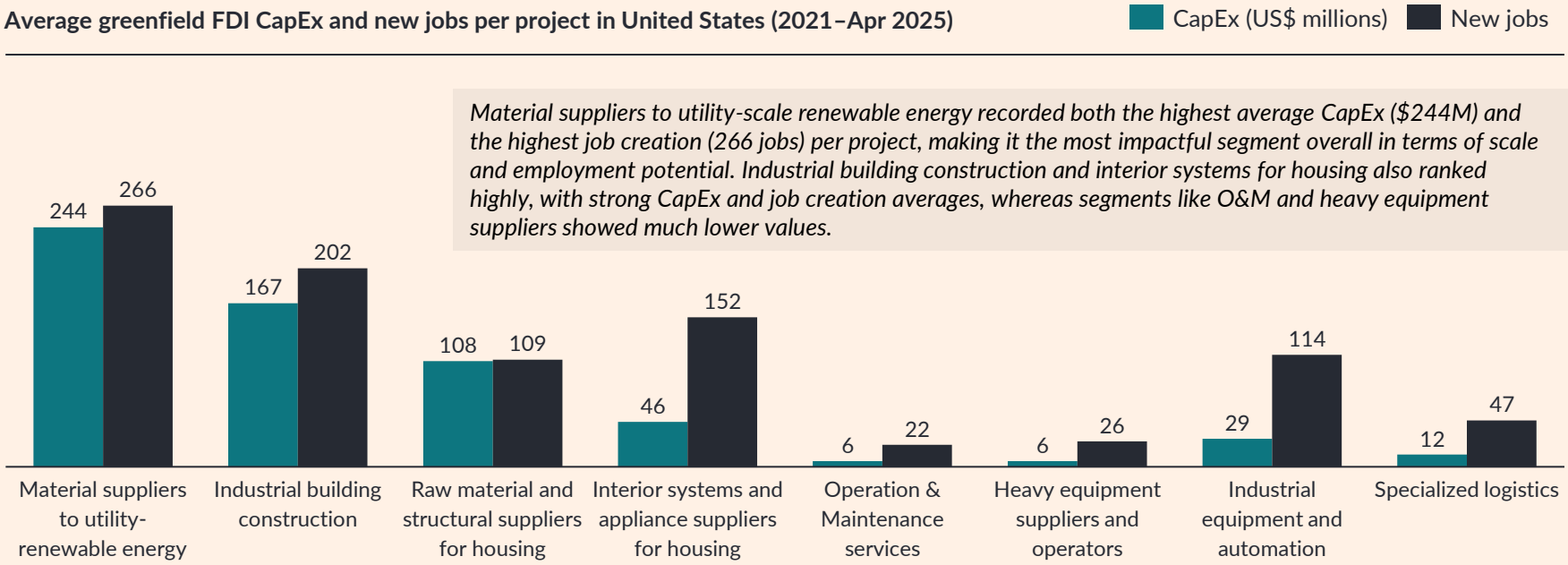
Note
[1] Segment are scored on a relative scale of 1-5 (5 being the best score)

FT LOCATIONS

IMPACT: Highlight of key findings

Material suppliers and construction-linked segments deliver the highest impact per project, with clear differences in capital and labor intensity across segments

Average greenfield FDI CapEx and new jobs per project in United States (2021–Apr 2025)



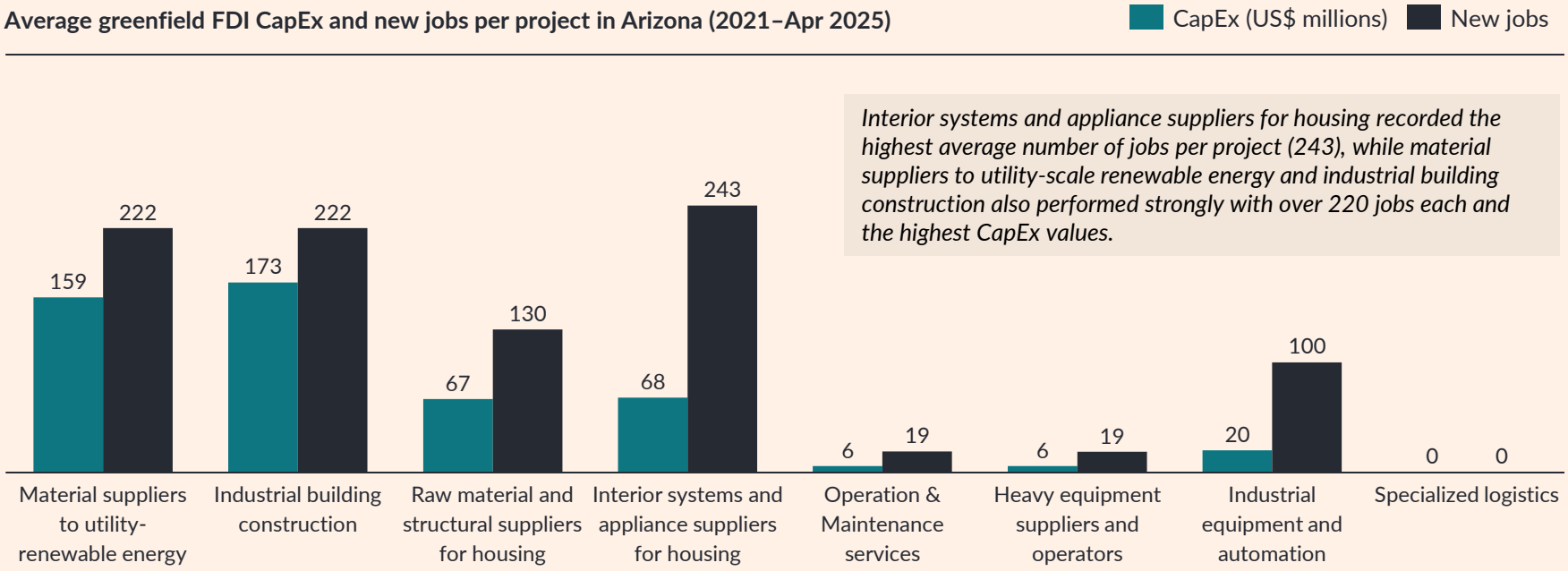
Material suppliers to utility-scale renewable energy recorded both the highest average CapEx ($244M) and the highest job creation (266 jobs) per project, making it the most impactful segment overall in terms of scale and employment potential. Industrial building construction and interior systems for housing also ranked highly, with strong CapEx and job creation averages, whereas segments like O&M and heavy equipment suppliers showed much lower values.

Source
FT Locations own analysis based on fDi Markets

IMPACT: Highlight of key findings

Arizona's highest-impact segments show strong job creation and capital investment, led by construction and housing-related suppliers

Average greenfield FDI CapEx and new jobs per project in Arizona (2021–Apr 2025)



Interior systems and appliance suppliers for housing recorded the highest average number of jobs per project (243), while material suppliers to utility-scale renewable energy and industrial building construction also performed strongly with over 220 jobs each and the highest CapEx values.

Source
FT Locations own analysis based on fDi Markets

3 Sector profiles

Deep-dives into REAL AZ's sectors

Sector profiles summary

Understanding sector characteristics, investment trends, and strategic fit for the REAL AZ Corridor

Advanced manufacturing

The advanced manufacturing sector in REAL AZ focuses on supply chains linked to modular and housing-related production. It includes: Interior systems and appliance suppliers (e.g., lighting, furnishings, HVAC); Raw material and structural component suppliers (e.g., wood, steel, insulation); Industrial equipment and automation firms (e.g., robotics, machinery); Industrial building developers (spec. and build-to-suit facilities).

- ZenniHome's presence is catalyzing a modular housing ecosystem and can anchor future supply chains.
- REAL AZ offers land, timber, and biomass resources suitable for construction inputs.
- Access to I-40, BNSF, and Apache Railway supports logistics and supplier clustering.
- Incentives and flexible zoning reduce barriers for facility development.
- NPC and NAVIT pipelines align with sector workforce needs in trades, welding, and automation.

Renewable energy

The renewable energy sector in REAL AZ spans the industrial ecosystem supporting utility-scale clean energy projects. Key segments include: Material suppliers (e.g., panel frames, switchgear, storage components); Heavy equipment providers (e.g., cranes, site prep contractors); Service and maintenance firms (e.g., O&M contractors, grid technicians); Specialized logistics firms (e.g., transport, warehousing, delivery coordination).

- REAL AZ is seeing growing developer interest due to natural resources, open grid capacity and land availability.
- Key sites like the I-40 Tradeport and Aztec Ranch offer rail, utility, and permitting advantages.
- Arizona's clean energy targets and SunZia transmission project create market pull from regional utilities and data centers.
- NPC and ARIZONA@WORK provide energy-transition-ready training and workforce pipelines.
- Access to federal tax credits and a pro-investment environment strengthen competitiveness for clean energy firms.

3 Sector profiles

Deep-dives into REAL AZ's sectors

Sector description

The advanced manufacturing sector comprises the supply chains that enable the production, assembly, and physical infrastructure for industrial and housing-related manufacturing, with a particular focus on prefabricated and modular housing. It includes manufacturers of structural components and interior systems, suppliers of industrial machinery and automation, and developers of build-to-suit industrial facilities. **These firms support scalable, technology-enabled production environments, providing the backbone for efficient, high-volume housing fabrication and broader manufacturing needs.**

Interior systems and appliance suppliers for housing includes firms that manufacture, and service household appliances, lighting, audio-video equipment, and home furnishings used in residential construction and renovation. They support interior fit-outs through both production and aftercare services.

Industrial equipment and automation firms manufacture and service machinery and automated systems for industrial processes, including robotics, HVAC, metalworking, plastics, and woodworking equipment, enabling efficiency, precision, and automation across manufacturing sectors.

Raw material and structural components suppliers essential to housing fabrication includes companies that produce, and service essential construction materials and structural components such as metals, plastics, wood, glass, and coatings used in housing fabrication. They support the residential building process from core material supply to ongoing component maintenance.

Industrial building developers construct speculative and build-to-suit facilities for manufacturing, logistics, and other industrial uses, delivering spaces tailored to business needs or market demand.

Sector dashboard and demand drivers – United States

US sector FDI dashboard, 2021-2024[1]

Number of FDI projects	FDI jobs created	FDI CapEx (US$ billions)	Market share (%) of FDI projects	Change (pp) in market share (2023-2024)
470	59,007	38.9	6.0	-0.7

US sector interstate investment (DDI) dashboard, 2021-2024[2]

Number of DDI projects	DDI jobs created	DDI CapEx (US$ billions)	Market share (%) of DDI projects	Change (pp) in market share (2023-2024)
630	83,461	59.6	4.7	2.0

Demand drivers[3]

This sector comprises establishments focused on the production, assembly, and infrastructure of for industrial and housing-related manufacturing. Key demand drivers in the United States include:

- **Reshoring and nearshoring trends:** US manufacturers are increasingly bringing production closer to home to mitigate geopolitical risks, tariff barriers, and supply chain disruptions. This not only includes advanced manufacturers of industrial and housing manufacturers seeking to gain market access in the US, but in critical industries such as semiconductors, pharmaceuticals, and defence-related sectors requiring new facilities that has driven demand for industrial property and construction.
- **Housing demand across the US:** Existing homes in the US are in extremely limited supply, which has significantly raised the demand for new, affordable home builds and a construction boom in the country despite high interest rates, construction labor shortages, and reduced demand for multi-family homes. Modular housing units in particular are seen as alternative housing solutions to the affordability crisis.
- **Tariff impact:** Universal tariffs in general and specific tariffs on steel and aluminum have a significant downstream effect on the construction sector, raising costs due to the rising price of inputs. This will particularly affect large-scale developments relying on structural steel, however smaller builds and modular houses may be able to utilise alternative materials less affected by tariffs to remain competitive.

Source
[1-2] FT Locations, *fDi Markets*, 2021-2024, [3] fDi Strategies, based on Black Iron Group, ING, and Saul Ewing

Note
DDI data shown reflects US interstate investment (i.e. projects by US-headquartered companies expanding or relocating across state lines).

Sector dashboard and demand drivers - Arizona

Arizona sector FDI dashboard, 2021-2024[1]

Number of FDI projects	FDI jobs created	FDI CapEx (US$ millions)	Market share (%) of FDI projects	pp change in market share (2023-2024)
2	322	210.7	1.3	-1.1

Arizona sector interstate investment (DDI) dashboard, 2021-2024[2]

Number of DDI projects	DDI jobs created	DDI CapEx (US$ millions)	Market share (%) of DDI projects	pp change in market share (2023-2024)
37	7,537	4,897.4	5.9	6.4

Demand drivers[3]

This sector comprises establishments focused on the production, assembly, and infrastructure for industrial and housing-related manufacturing. Key demand drivers in Arizona include:

- **Reshoring, relocation and nearshoring trends**: Global supply chain disruptions and tariff uncertainty could see OEMs and Tier 1-3 suppliers locate closer to US customers in key clusters in larger States such as Arizona. A significant development has been the relocation and outward investment of firms from California to States such as Arizona, Texas, and Nevada due to high living and manufacturing costs, and these trends are expected to continue in the near future.
- **Stable housing market:** Despite economic uncertainty, housing prices in Arizona are expected to be relatively stable throughout 2025 due to growth in the housing supply, strong immigration into the State mainly from California (particularly Maricopa County). Despite this the significant in-migration from California has caused prices to rise in recent years, and significant early demand followed by a market correction is taking place, particularly in the Metro Phoenix region which may depress future market demand in the most populated areas of Arizona.
- **Government policies:** Arizona (including the Navajo and Apache Counties) promotes advanced manufacturing in industrial and housing sectors by leveraging Opportunity Zones, tribal land leasing, targeted ARPA grants, and streamlined zoning/permitting to attract investment in industrial sites and modular construction production.

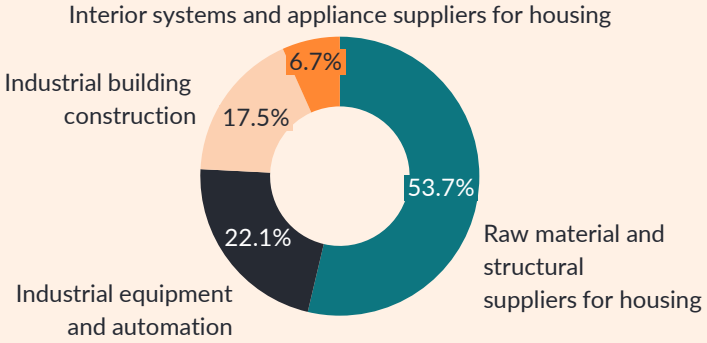
Source
[1-2] FT Locations, *fDi Markets*, 2021-2024, [3] fDi Strategies, based on CBRE, Newsweek,

Key investment sectors and target markets

Key investment segments

Significant sectors in the raw material and structural supplier segment include **metals, plastics, building materials (including cement and asphalt), and Paints, coatings, additives & adhesives.** Other important sub-sectors include **HAVC**[4] under industrial equipment and automation, and **industrial and transport & warehousing construction**.

% of US investments projects in the sector by segment, 2021-2024[3]



Key source markets

International[1]

1. Germany
2. Japan
3. China
4. Switzerland
5. United Kingdom

Domestic[2]

1. California
2. Illinois
3. New York
4. Pennsylvania
5. Texas

Leading international investors in this sector, 2021-2024

Company	Country HQ	Number of FDI projects	FDI jobs created	FDI CapEx (US$ millions)
Panattoni	United States	129	67,524	19,023
Global logistics properties	Singapore	37	19,136	7,077
CTP Invest	Czech Republic	35	26,403	3,274
Saint-Gobin	France	27	3,761	1,765
VGP Group	Belgium	26	17,543	2,760

Source
FT Locations, *fDi Markets*, 2021-2024

Note
[1] United States, which ranks first globally, is excluded from 'international' ranking to show only inbound FDI, [2] Domestic data shown reflects US interstate investment (i.e. projects by US-headquartered companies expanding or relocating across state lines) [3] Data includes FDI and US inter-state investment, and [4] HVAC: Heating, Ventilation, and Air Conditioning

Rationale for targeting the sector (1/2)

Location determinant		Key selling messages for Real AZ Corridor
Connectivity and infrastructure	1	**Transport infrastructure**: Access to a well-developed transport infrastructure network in the form of BNSF rail, Union-Pacific, and Apache railway, with adjoining access to railyards and intermodal facilities, and the I40 and US Route 60 highways for exports to California (8-hour drive) and larger urban centers in Arizona such as Phoenix (3-hour drive).
	2	**Supporting infrastructure**: Real AZ's energy and water infrastructure is significant and developing, with several large-scale solar, wind, and biomass development projects in place and under construction, as well as well-developed water infrastructure and irrigation system heavily utilized by the industrial sector in Navajo and Apache Counties.
Market seeking motives	3	**Domestic market growth:** Arizona's economy continues to outpace the national average, with real GDP increasing at an annualized rate of 3.3% in Q4 2024[1] to reach $434 billion, ahead of the 2.4% U.S. growth. Arizona's manufacturing GDP rose by 6.3% year-over-year from Q4 2023 to Q4 2024 to $39.6 billion[2], outpacing the national manufacturing growth rate of 2.7%, driven by advanced manufacturing sectors.
	4	**Anchor investors with potential for supply chain formation**: Major downstream manufacturer of prefabricated modular homes Zennihome in Navajo County. ZenniHome's growing production volume and long-term housing contracts in Navajo County can create stable, localized demand that can attract supplier firms seeking market access and just-in-time delivery advantages.
Regulatory support	5	**Government programs**: Real AZ attracts supplier investment in industrial and housing manufacturing through targeted programs such as the Qualified Facility Tax Credit and Sales Tax Exemptions for Manufacturing, which lower capital and operational costs, while workforce initiatives led by NPC and ZenniHome ensure skilled labor availability, and flexible zoning ordinances in Navajo County streamline permitting and site development for new facilities.

Source:
1 Arizona's Economy, 2 Federal Reserve Bank of St Louis, and 3 Applied geographic solutions

Rationale for targeting the sector (2/2)

Location determinant		Key selling messages for Real AZ Corridor
Natural resources	6	**Proximity to raw inputs and land for development**: Northeastern Arizona hosts the largest contiguous stand of ponderosa pine in the world, and approximately 245,000 bone-dry tons of woody biomass are available annually across Apache, Navajo, and Coconino counties suitable for construction materials. An expansive availability of land drives both construction sites for housing and industrial developments.[1]
Skilled labor and talent pipeline	7	**Workforce with relevant skillsets for advanced manufacturing:** The Real AZ corridor has a combined location quotient advantage for building materials, hardware & garden, heavy construction, repair & maintenance services, stone, glass, and concrete, and wood product positions compared to Arizona as a whole[3]. In addition to this, 12% of graduates from Real AZ's institutions such as NPC and NAVIT are in degrees related to advanced manufacturing such as welding, engineering, building construction technology and vehicle maintenance and repair technologies. The average annual wage for construction and extraction, installation, maintenance, and repair, production, and transportation and material moving occupations for Navajo County is $43,889 for Apache County is $45,322.[2]
Competitive operating costs	8	**Utility costs offer a compelling advantage** : Arizona's average industrial electricity rate is 7.87 cents(¢) per kWh, below the US average of 8.21 cents, and cheaper than California (18.07¢), Colorado (9.15¢), and Florida (8.88¢). Gas costs for large users in the REAL AZ Corridor are $0.01248/therm. Natural gas for large users in the REAL AZ Corridor is highly affordable at $0.01248/therm. While many industrial users rely on private wells, municipal water rates remain low (e.g., $2.14 per 1,000 gallons in Taylor).[3]

Source: [1-3] FT Locations, *fDi Strategies*, based on REAL AZ consultation and US Energy Information Administration

3 Sector profiles

Deep-dives into REAL AZ's sectors

Sector description

The renewable energy sector refers to the **network of industrial, technical, and logistics firms** that enable the delivery and long-term operation of large-scale clean energy projects. It includes suppliers of key materials and components, heavy equipment providers and construction operators, engineering and maintenance service firms, and logistics companies supporting infrastructure deployment.

Material suppliers to utility-scale renewable energy projects manufacture and service components such as batteries and related technologies that support large-scale solar, wind, and other clean energy systems, enabling efficient energy storage and grid integration.

Service and maintenance firms supporting long-term operations provide technical, engineering, and specialty trade services that ensure the durability, efficiency, and compliance of construction and environmental infrastructure over time.

Heavy equipment providers, contractors, and operators involved in construction supply, operate, and maintain machinery for large-scale building, infrastructure, and environmental projects, supporting core activities across civil engineering.

Specialized logistics firms positioned to support development manage the transportation, warehousing, and distribution of critical industrial materials and components such as equipment, electronics, plastics, and metal, enabling efficient delivery and site readiness for construction and infrastructure projects.

Sector dashboard and demand drivers – United States

US sector FDI dashboard, 2021-2024[1]

Number of FDI projects	FDI jobs created	FDI CapEx (US$ billions)	Market share (%) of FDI projects	Change (pp) in market share (2023-2024)
180	41,376	31.4	2.3	0

US sector interstate investment (DDI) dashboard, 2021-2024[2]

Number of DDI projects	DDI jobs created	DDI CapEx (US$ billions)	Market share (%) of DDI projects	Change (pp) in market share (2023-2024)
422	25,244	24.9	3.1	-3.1

Demand drivers[3]

This sector comprises establishments primarily engaged in supporting the construction, delivery, and long-term maintenance of utility-scale clean energy projects. Key demand drivers in the United States include:

- **The Trump administration's One Big Beautiful Bill Act (OBBB)**: Post-OBBB, the tax credit for wind components sold after 2027 will be terminated, while solar components must meet rising US content thresholds, starting at 50% in 2026 and rising annually to 80% in 2029. Inverters and battery components are also subject to the rising material assistance thresholds, increasing the potential for a cluster of domestic manufacturing to emerge in regions that can offer shovel-ready sites, workforce pipelines, and compliant US-sourced supply chains for renewable energy projects despite a potential slowdown in new renewable energy infrastructure projects due to the rollback in subsidies introduced in the Inflation Reduction Act (IRA).
- **Increased investor momentum renewable energy infrastructure**: Pledges by both foreign and inter-state investors in US wind and solar grew by 35.5% year-on-year in 2023, accelerating to 72.8% growth in 2024. Over the same period, CapEx in these subsectors increased from US$18.7 billion in 2022 to US47.5 billion in 2024, according to fDi Markets data.
- **Record electricity demand is accelerating adoption of renewables**: US utility-supplied electricity use rose 4% year-on-year through mid-2025, driven by solar expansion (+32%) and rising demand from EVs, data centers, and AI infrastructure.

Source
[1-2] FT Locations, *fDi Markets*, 2021-2024 3 FT Locations, *fDi Strategies*, based on Latham & Watkins LLP, fDi Markets, and Reuters.

Note
DDI data shown reflects US interstate investment (i.e. projects by US-headquartered companies expanding or relocating across state lines).

Sector dashboard and demand drivers - Arizona

Arizona sector FDI dashboard, 2021-2024[1]

Number of FDI projects	FDI jobs created	FDI CapEx (US$ millions)	Market share (%) of FDI projects	pp change in market share (2023-2024)
3	1,140	816.1	1.9	-5.4

Arizona sector interstate investment (DDI) dashboard, 2021-2024[2]

Number of DDI projects	DDI jobs created	DDI CapEx (US$ millions)	Market share (%) of DDI projects	pp change in market share (2023-2024)
17	865	525.9	2.7	-2.1

Demand drivers[3]

Key demand drivers in Arizona include:

- **Grid congestion and market saturation in other States:** Interconnection delays and project saturation in California are pushing developers to seek less congested alternatives. This is driving spillover demand into Arizona and encouraging investors to diversify into higher-growth, infrastructure-ready markets with available capacity and faster permitting. The SunZia Southwest Transmission Project further strengthens Arizona's position as a critical corridor for renewable energy export to neighboring markets.
- **Regional market growth and clean energy targets**: The expansion of utility-scale renewable energy projects across northeast Arizona, southeast California, southeast Nevada, southern Utah, and northwest New Mexico is increasing demand for last-mile delivery, warehousing, O&M providers, heavy equipment operators, and material suppliers. Arizona Public Service (APS), the state's largest utility, targets a 65% clean energy mix by 2030, including 45% from renewables, and plans to fully exit coal-fired generation by 2031. Its long-term goal is 100% carbon-free energy by 2050.
- **De-risking renewable energy supply chains**: Shifting policies and procurement standards are boosting demand for U.S.-based clean energy manufacturing, especially near infrastructure-ready sites. Developers are increasingly seeking reliable partners to meet compliance requirements and fast-track deployment.
- **Rising data center energy demand**: Arizona's rapid data center expansion is generating substantial new load on the grid, driving investment in solar and battery storage.
- **Extreme weather events and climate resilience**: More frequent extreme weather events are accelerating investment in grid hardening and energy storage.

Source

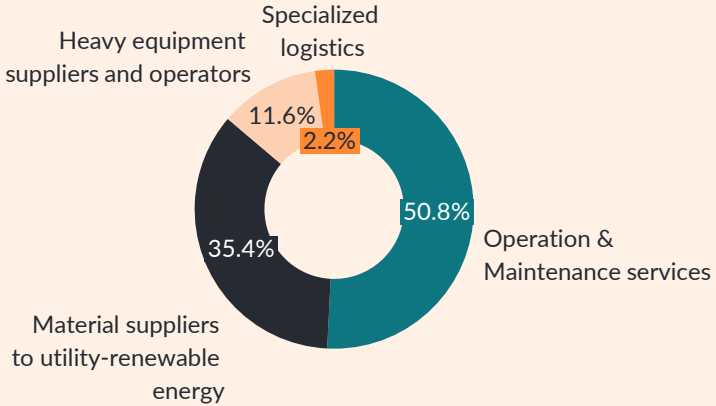
[1-2] FT Locations, *fDi Markets*, 2021-2024 3 FT Locations, *fDi Strategies*, based on APS, CBRE, *Global Data Center Trends 2025*, Reuters, ENVERUS, *Unveiling ISO Dynamics and Market Trends for 2025*, Rounds Consulting Group, *The Economic Benefits of Renewable Energy in Arizona*

Key investment sectors and target markets

Key investment segments

The renewable energy sector in Arizona is increasingly supported by **high-impact sectors** such as electronic components, industrial equipment, metals, and engines & turbines. Within these, **key subsectors include** engineering services, heavy and civil engineering, and cleantech manufacturing, particularly batteries and PV tech.

% of US investments projects[1] by segment, 2021-2024



Key source markets

International[2]

1. United Kingdom
2. Germany
3. China
4. France
5. Denmark

Domestic[3]

1. California
2. New York
3. Illinois
4. Georgia
5. Pennsylvania

Leading international investors in this sector, 2021-2024

Company	Country HQ	Number of FDI projects	FDI jobs created	FDI CapEx (US$ millions)
BayWa	Germany	14	485	183.5
Vestas	Denmark	10	4,617	864.3
Siemens Energy	Germany	8	2,008	8,048.2
Lhyfe	France	8	675	671.4
Trina Solar	China	8	6,751	946.9

Source
FT Locations, *fDi Markets*, 2021-2024

Note
[1] Includes both US FDI and US inter-state projects. Sectors and subsectors are explored in more detail within Target Market Report.
[2] United States, which ranks third globally, is excluded from 'international' ranking to show only inbound FDI
[3] Domestic data shown reflects US interstate investment (i.e. projects by US-headquartered companies expanding or relocating across state lines).

Rationale for targeting the sector (1/2)

Location determinant		Key selling messages for Real AZ Region
Market growth potential	1	**Arizona's growing solar capacity and natural advantage:** Arizona ranks 4th in the United States for total installed solar capacity at 10,376.65 MW. Growth projections over the next 5 years place Arizona 3rd nationally with close to 15,000 MW expected to be installed. Despite this scale, renewables account for just 29.6% of Arizona's total electricity mix, suggesting substantial headroom for clean energy expansion. As one of the sunniest states in the US, Arizona offers optimal conditions for solar energy generation with 300 sunny days annually and 5-6 kilowatts per square metre, which creates long-term opportunities for component suppliers, storage providers, and grid integration technologies.[1]
	2	**Tap into a REAL AZ Corridor's growing renewable energy infrastructure:** Several clean energy projects have been announced across Navajo and Apache counties in recent years, including solar developers and component manufacturers. This growing pipeline of investor interest underscores REAL AZ's opportunity to become an industrial ecosystem supporting both the construction and long-term maintenance of renewable energy infrastructure, as well as associated industries such as data centers and energy-aligned technology operations that benefit from access to clean power and grid capacity. As renewable generation capacity expands locally, it also has the potential to lower electricity costs over time, enhancing the region's appeal for energy-intensive industries.[2]
Multimodal connectivity and strategic land availability	3	**Direct access to major logistics arteries**: The REAL AZ Corridor offers proximity to critical east–west and north–south freight routes, including Interstate 40, US Route 60, and State Route 77, as well as access to BNSF and Apache Railway lines. Key markets and trade hubs are within reach, including Phoenix (3 hrs by road), Albuquerque (under 4 hrs by road), with rail access enabling direct connections to Los Angeles, El Paso, and cross-border markets in Mexico. This multimodal connectivity supports efficient movement of solar panels, structural components, and heavy equipment across Arizona and to regional energy markets in the south-west.[3]
	4	**Abundant industrial land and investment-ready sites**: REAL AZ's land bank includes development-ready acreage with full utility access, plus rail and highway connectivity at just $25,000 per acre. General-use parcels with proximity to utilities and highways are available at $3,800 per acre, offering flexibility for firms at various stages of investment. Sites like the I-40 Tradeport and Aztec Ranch Industrial District combine scale, rail access, and zoning for fast-track build-to-suit opportunities.[4]

Source

[1] Solar Energy Industries Association (SEIA) and US Energy Information Administration (See Appendix A10) [2-4] FT Locations, *fDi Strategies*, based on REAL AZ Asset Mapping Report

Rationale for targeting the sector (2/2)

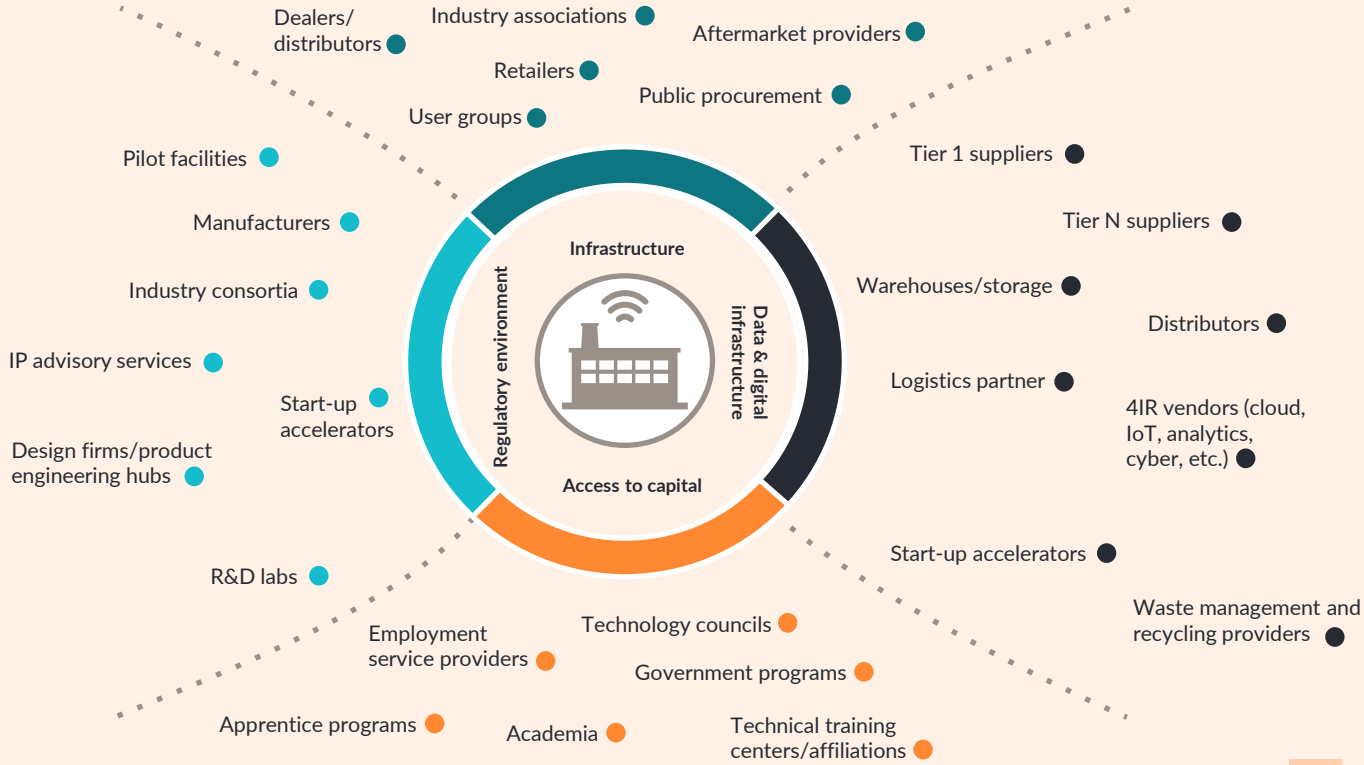
Location determinant		Key selling messages for Real AZ Region
Business friendly environment and competitive operating costs	5	**Pro-investment incentives and zoning**: Arizona's competitive tax system, tax credits and local sales tax exemptions for manufacturing, combined with specialized zoning and permitting in Navajo County, provide a business-friendly regulatory environment for firms aiming to establish assembly bases or Operation & Maintenance (O&M) in the region.[1]
	6	**Supportive ecosystem for clean energy innovation and transition**: REAL AZ benefits from a robust network of institutions advancing renewable energy innovation and workforce transition. Key players like ASU's Just Energy Transition Center and LightWorks program, and NAU offer applied R&D, coal-to-clean energy planning, and ecosystem resilience strategies. Workforce programs such as ARIZONA@WORK and SciTech Institute provide job-ready training linked to renewable infrastructure buildout.[2]
	7	**Utility costs offer a compelling advantage** : Arizona's average industrial electricity rate is 7.87 cents(¢) per kWh, below the US average of 8.21 cents, and cheaper than California (18.07¢), Colorado (9.15¢), and Florida (8.88¢). Gas costs for large users in the REAL AZ Corridor are $0.01248/therm. Natural gas for large users in the REAL AZ Corridor is highly affordable at $0.01248/therm. While many industrial users rely on private wells, municipal water rates remain low (e.g., $2.14 per 1,000 gallons in Taylor).[3]
Skilled workforce availability and labor competitiveness	8	**Industry aligned workforce**: The REAL AZ Corridor is supported by institutions like NAVIT and Northland Pioneer College (NPC), which offer career and technical education in welding, electrical systems, construction, and equipment operation. With over 9,000 students enrolled across both institutions, and emerging programs tied to energy transition and trades, the region is building a job-ready workforce pipeline for production and assembly operations, service and maintenance providers, heavy equipment operators.[4]
	9	**Competitive labor market costs**: Arizona offers a more cost-competitive labor market than Texas and California.[5] Moreover, compared to state peers[6], the REAL AZ Corridor provides cost-effective talent across engineering, construction, production and transportation occupations, ideal for component providers, logistics companies and heavy equipment contractors. Lower living costs within REAL AZ also means wages go further, enhancing workforce retention and quality of life.[7]

Source

[1-4] FT Locations, *fDi Strategies*, based on REAL AZ consultation and US Energy Information Administration [6] FT Locations, *fDi Benchmark, based on Willis Towers Watson Global Remuneration Planning Report 2024/25 iMercer and national statistics* [6] State peers consist of Pinal County (AZ) and Coconino County (AZ) [7] FT Locations, *ZoomProspector*, based on Lightcast and Applied Geographic Systems

4 Appendix

A1. A model identifying the advanced manufacturing ecosystem

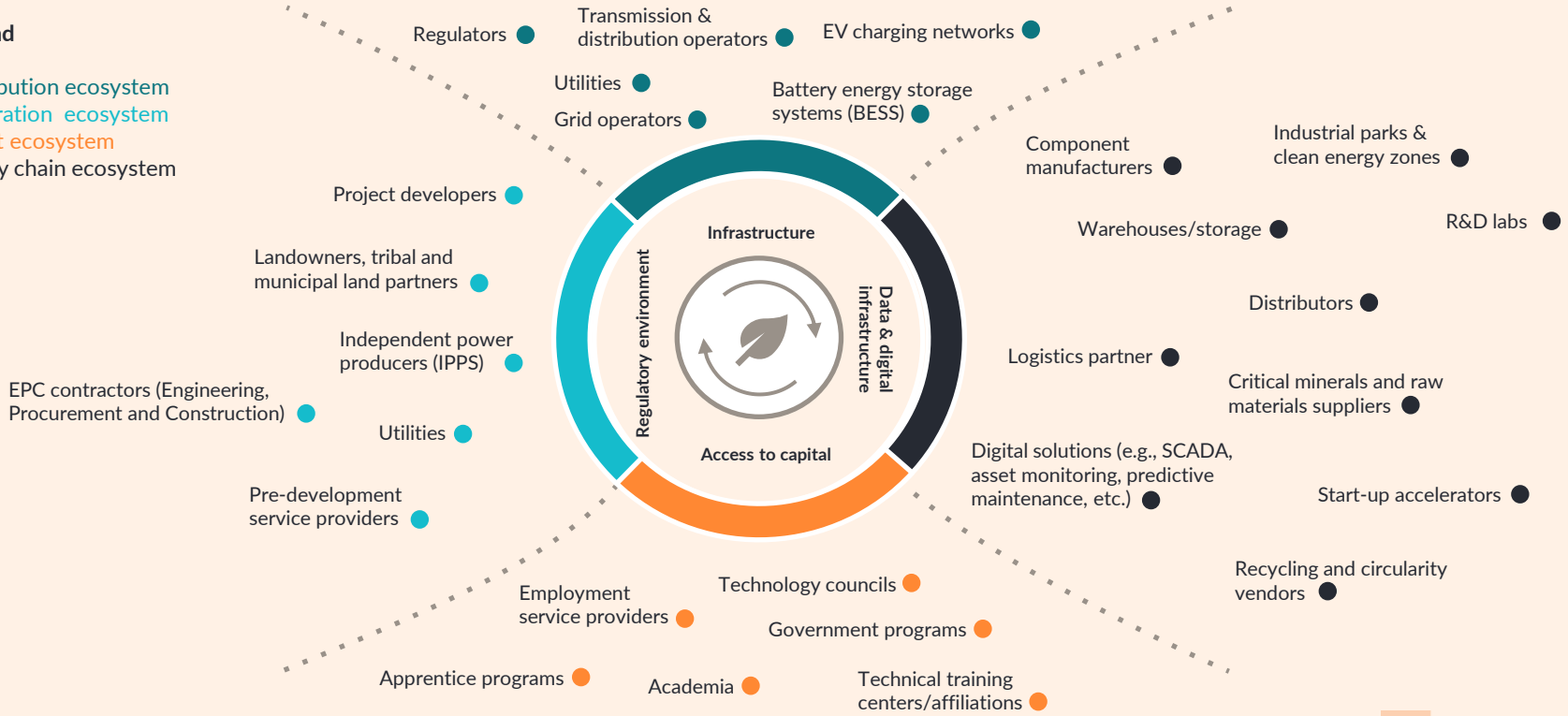


Source

FT Locations, *fDi Strategies*, based on Deloitte, *Accelerating smart manufacturing: The value of an ecosystem approach*, 2020

FT LOCATIONS

A2. A model identifying the renewable energy ecosystem



Source
FT Locations, *fDi Strategies*, based on UN PRI, *Impacting Investing Market Map*, 2018

A3. Asset mapping questionnaire (1/3)

Insights were gathered through an asset mapping questionnaire completed by Chris Pasterz, executive director of REAL AZ, and a subsequent consultation conducted by fDi Strategies on Tuesday, 15 July 2025.

This section of questions gather insights such as:

- Investment motives and decision drivers
- Priority segments within target sectors
- Notable companies
- Key strengths and real estate pipeline

This will help to focus on promising subsectors and REAL AZ's value proposition.

	Questions
1	In your opinion, what are some of the **key location motives** for investors in deciding whether to invest in Navajo/Apache counties?
2	What are the **Advanced manufacturing segments which present the largest opportunities** for companies to invest in Apache/Navajo counties? Can you please **prioritize** and **explain** why?
3	What are the **renewable energy segments which present the largest opportunities** for companies to invest in Apache/Navajo counties? Can you please **prioritize** and **explain** why?
4	Can you name any **notable companies** or **start-ups** in the renewable energy and advanced manufacturing sectors that are helping to build a cluster locally?
5	What are the **recent success stories** in REAL AZ? Can you please share some details on their reasons for success and why they chose Apache/Navajo counties?
6	What are some **key strengths** and **assets** of REAL AZ for investors in the priority sectors?
7	Are there **specific land sites identified** or **available** for industrial or renewable energy development?
8	What **industrial or commercial spaces** are currently/will be available?

Source
FT Locations, *fDi Strategies*

A3. Asset mapping questionnaire (2/3)

This section of questions gather insights such as:

- Infrastructure and workforce readiness
- Supply chain presence and talent pipelines
- Support from training and innovation partners

This will help to focus on REAL AZ's operational capacity and its ability to support scaling companies.

	Questions
9	What existing **energy infrastructure** can support development? (e.g., transmission lines, substations etc. ?)
10	Which **supply chain elements** are present or nearby (e.g., logistics, component suppliers, construction firms)?
11	What **workforce strengths** support growth in these target sectors?
12	Are there **training institutions** offering relevant programs?
13	Are there any **universities, colleges or research centers** in or near the region conducting R&D related to renewable energy or advanced manufacturing?
14	Have there been any **collaborations between academia and industry** in these sectors? (e.g., technology transfer, research projects, workforce development)
15	Are there any **incubators, accelerators, or industry networks** that support emerging companies in these sectors?
16	Is there access to funds (**venture capital, private equity, or angel networks**) for companies looking to scale in Apache or Navajo counties?

Source
FT Locations, *fDi Strategies*

A3. Asset mapping questionnaire (3/3)

This section of questions gather insights such as:

- Competitive positioning and peer comparisons
- Incentives and regulatory advantages
- Gaps and areas for improvement

This will help to focus on how REAL AZ can sharpen its competitive edge and strengthen investor appeal.

	Questions
17	Who do you see as the **main competitor locations** to Apache/Navajo counties for investment in the advanced manufacturing and renewable energy sectors?
18	Do you have any **examples of locations that REAL AZ should emulate** in attracting investment for these sectors?
19	What **programs, initiatives, or incentives** exist to support renewable energy or advanced manufacturing investments in the region?
20	Are there any **utility advantages, regulatory or permitting efficiencies** that give REAL AZ a competitive advantage?
21	What **actions would you recommend** to Apache/Navajo counties to undertake to become a hub for investment in the Advanced manufacturing and the Renewable Energy sectors? (e.g., Promotion, policies)
22	What are some **key gaps or areas for improvement** in Apache and Navajo counties for investors?

Source
FT Locations, *fDi Strategies*

A4. Sector taxonomy – sector definitions

Advanced manufacturing

Interior systems and appliance suppliers for housing includes firms that manufacture and service household appliances, lighting, audio-video equipment, and home furnishings used in residential construction and renovation. They support interior fit-outs through both production and aftercare services.

Industrial equipment and automation firms manufacture and service machinery and automated systems for industrial processes, including robotics, HVAC, metalworking, plastics, and woodworking equipment, enabling efficiency, precision, and automation across manufacturing sectors.

Raw material and structural components suppliers essential to housing fabrication includes companies that produce and service essential construction materials and structural components such as metals, plastics, wood, glass, and coatings used in housing fabrication. They support the residential building process from core material supply to ongoing component maintenance.

Industrial building developers construct speculative and build-to-suit facilities for manufacturing, logistics, and other industrial uses, delivering spaces tailored to business needs or market demand.

A4. Sector taxonomy – sector definitions

Renewable energy

Material suppliers to utility-scale renewable energy projects manufacture and service components such as batteries and related technologies that support large-scale solar, wind, and other clean energy systems, enabling efficient energy storage and grid integration.

Service and maintenance firms supporting long-term operations provide technical, engineering, and specialty trade services that ensure the durability, efficiency, and compliance of construction and environmental infrastructure over time.

Heavy equipment providers, contractors, and operators involved in construction supply, operate, and maintain machinery for large-scale building, infrastructure, and environmental projects, supporting core activities across civil engineering.

Specialized logistics firms positioned to support development manage the transportation, warehousing, and distribution of critical industrial materials and components such as equipment, electronics, plastics, and metal, enabling efficient delivery and site readiness for construction and infrastructure projects.

A5. Data points – Supply side pillar

Pillar	Prioritization indicator		Rationale
SUPPLY SIDE Assessment of REAL AZ's segment attractiveness	Revealed Comparative Advantage (RCA) of segment FDI for Arizona compared to the United States	>	To identify segments where Arizona is competitive for FDI
	Revealed Comparative Advantage (RCA) of segment FDI for the REAL AZ Corridor compared to Arizona	>	To identify segments where REAL AZis competitive for FDI
	Revealed Comparative Advantage (RCA) of segment DDI for Arizona compared to the United States	>	To identify segments where Arizona is competitive for DDI
	Revealed Comparative Advantage (RCA) of segment DDI for the REAL AZ Corridor compared to Arizona	>	To identify segments where REAL AZ is competitive for DDI
	Asset mapping consultation	>	Qualitative analysis of REAL AZ Corridor's target segment competitiveness
	Literature review analysis	>	Qualitative analysis of REAL AZ Corridor's target segment competitiveness

A5. Data points – Demand side pillar (1/3)

Pillar	Prioritization indicator	Rationale
DEMAND SIDE Assessment of the segment's opportunity potential	United States, Total number of FDI projects (2021- Apr 2025)	Identify which segments contribute the most to greenfield FDI projects into the United States
	United States, Total Value of FDI Capex (2021- Apr 2025) (USD m)	Identify which segments contribute the most to greenfield FDI CapEx into the United States
	United States, Total Number of FDI New Jobs (2021- Apr 2025)	Identify which segments contribute the most to greenfield FDI jobs into the United States
	United States, Total Number of FDI Companies (2021- Apr 2025)	Identify which segments contribute the most greenfield FDI companies into the United States
	United States, Growth in number of FDI Projects (2023 vs 2024)	Identify the fastest growing segments for greenfield FDI projects into the United States
	United States, Growth in Value of FDI Capex (2023 vs 2024)	Identify the fastest growing segments for greenfield FDI CapEx into the United States
	United States, Growth in Number of FDI New Jobs (2023 vs 2024)	Identify the fastest growing segments for greenfield FDI jobs into the United States
	Arizona, Total number of FDI projects (2021- Apr 2025)	Identify which segments contribute the most to greenfield FDI projects into Arizona

A5. Data points – Demand side pillar (2/3)

Pillar	Prioritization indicator		Rationale
DEMAND SIDE Assessment of the segment's opportunity potential	Arizona, Total Value of FDI Capex (2021- Apr 2025) (USD m)	>	Identify which segments contribute the most to greenfield FDI CapEx into Arizona
	Arizona, Total Number of FDI New Jobs (2021- Apr 2025)	>	Identify which segments contribute the most to greenfield FDI jobs into Arizona
	Real AZ, Total number of FDI projects (2021- Apr 2025)	>	Identify which segments contribute the most to greenfield FDI projects into REAL AZ
	Real AZ, Total Value of FDI Capex (2021- Apr 2025) (USD m)	>	Identify the fastest growing segments for greenfield FDI CapEx into REAL AZ
	Real AZ, Total Number of FDI New Jobs (2021- Apr 2025)	>	Identify the fastest growing segments for greenfield FDI jobs into REAL AZ
	United States, FDI (% of total direct investment) (2021- Apr 2025)	>	Identify which segments FDI is a relatively more important source of direct investment
	United States, Total number of DDI projects (2021- Apr 2025)	>	Identify which segments contribute the most to greenfield DDI projects in the United States
	United States, Total Value of DDI Capex (2021- Apr 2025) (USD m)	>	Identify which segments contribute the most to greenfield DDI CapEx in the United States

A5. Data points – Demand side pillar (3/3)

Pillar	Prioritization indicator		Rationale
DEMAND SIDE Assessment of the segment's opportunity potential	United States, Total Number of DDI New Jobs (2021- Apr 2025)	>	Identify which segments contribute the most to greenfield DDI jobs in the United States
	Arizona, Total number of DDI projects (2021- Apr 2025)	>	Identify which segments contribute the most to greenfield DDI projects into Arizona
	Arizona, Total Value of DDI Capex (2021- Apr 2025) (USD m)	>	Identify which segments contribute the most to greenfield DDI CapEx into Arizona
	Arizona, Total Number of DDI New Jobs (2021- Apr 2025)	>	Identify which segments contribute the most to greenfield DDI jobs into Arizona
	Real AZ, Total number of DDI projects (2021- Apr 2025)	>	Identify which segments contribute the most to greenfield DDI projects into REAL AZ
	Real AZ, Total Value of DDI Capex (2021- Apr 2025) (USD m)	>	Identify which segments contribute the most to greenfield DDI CapEx into REAL AZ
	Real AZ, Total Number of DDI New Jobs (2021- Apr 2025)	>	Identify which segments contribute the most to greenfield DDI jobs into REAL AZ

A5. Data points – Impact pillar

Pillar	Prioritization indicator		Rationale
IMPACT Assessment of the segment impact on the REAL AZ Corridor	Average CapEx per project for segment in the United States	>	Analyse target segments potential impact on CapEx
	Average jobs per project for segment in the United States	>	Analyse target segments potential impact on jobs created
	Average CapEx per project for segment in Arizona	>	Analyse target segments potential impact on CapEx
	Average jobs per project for segment in Arizona	>	Analyse target segments potential impact on CapEx

A6. Tiering framework

Tiering	Overall approach to lead generation	Examples of lead generation activities
Primary segment	**Proactive:** Highly proactive across target source markets.	▪ **Proactive outreach** – Direct engagement with top investors through strategic prospecting. ▪ **Account-based marketing** – Personalised investment pitches. ▪ **Trade missions & roadshows** – High-level delegation visits to key markets. ▪ **Sector-specific events** – Speaking engagements, sponsorships, and networking. ▪ **Incentive promotion** – Tailored packages to attract high-impact investments.
Secondary segment	**Opportunistic:** Selective engagement with targeted investor groups in target markets.	▪ **Inbound response management** – Handling RFIs[1] and inquiries from interested investors. ▪ **Targeted marketing campaigns** – Digital and sector-specific promotions. ▪ **Participation in industry forums** – Engaging with potential investors passively. ▪ **Collaborations with partners** – Working with trade associations, embassies, and private sector players. ▪ **Strategic follow-ups** – Nurturing warm leads with periodic updates and engagement.
Tertiary segment	**Watchlist:** Reactive and monitoring-based strategy, with potential highly selective engagement with investor groups.	▪ **Passive tracking** – Monitoring investor interest, policy developments, and global trends. ▪ **Ecosystem preparation** – Strengthening local capabilities and regulatory frameworks. ▪ **RFI-based engagement** – Responding only to inbound inquiries from investors. ▪ **Periodic reassessment** – Evaluating sector growth for potential prioritization.

Note:
[1] Request for information

A7. FDI/DDI in advanced manufacturing as a % of total projects

US sector dashboard, 2021-2024

Type/*Sector*	% of projects	% of jobs created	% of CapEx
FDI	43%	41%	39%
DDI	57%	59%	61%

Arizona sector dashboard, 2021-2024

Type/*Sector*	% of projects	% of jobs created	% of CapEx
FDI	5%	4%	4%
DDI	95%	96%	96%

Source
FT Locations, *fDi Markets*, 2021-2024

A8. FDI/DDI in renewable energy as a % of total projects

US sector dashboard, 2021-2024

Type/*Sector*	% of projects	% of jobs created	% of CapEx
FDI	30%	62%	56%
DDI	70%	38%	44%

Arizona sector dashboard, 2021-2024

Type/*Sector*	% of projects	% of jobs created	% of CapEx
FDI	15%	57%	61%
DDI	85%	43%	39%

Source
FT Locations, *fDi Markets*, 2021-2024

A9. Labor costs in Arizona counties by occupation

Median annual wages across occupations supporting renewable energy and industrial sectors

Lower salary — Higher salary

Location	Management Occupations	Architecture and Engineering Occupations	Farming, Fishing, and Forestry Occupations	Construction and Extraction Occupations	Installation, Maintenance, and Repair Occupations	Production Occupations	Transportation and Material Moving Occupations
Pinal County	80,918.18	79,189.91	32,090.35	48,760.61	46,777.74	38,843.84	39,310.37
Navajo County	78,361.34	81,002.87	32,792.36	49,200.48	47,242.30	40,657.22	38,455.75
Apache County	80,966.44	78,255.75	31,269.26	47,531.13	47,869.70	47,097.64	38,789.70
Coconino County	82,572.82	92,241.45	34,983.47	49,051.75	46,398.03	49,551.70	42,086.95
Arizona (State)	97,967.96	88,428.77	32,572.18	51,964.33	50,579.73	43,646.52	40,931.17

Source
FT Locations, *ZoomProspector*, based on Lightcast, 2025 Q2

A10. Energy-related indicators in Arizona vs. competitor States

Location	Price	Utility-scale electricity generation (% share of total)				Renewable energy capacity		
	Industrial electricity rate (cents/kWH)	Natural Gas-Fired (%)	Coal-Fired (%)	Nuclear (%)	Renewables (%)	Total Renewable Energy Electricity Net Summer Capacity (MW)	Utility-Scale Solar, Wind, and Geothermal Net Electricity Generation (thousand MWh)	Small-Scale Solar Photovoltaic Generation (thousand MWh)
Oklahoma	5.51	35.50	5.80	-	58.80	13,930	3,591	25
New Mexico	6.42	22.30	22.30	-	54.10	6,417	1,862	78
Texas	6.51	40.70	10.00	7.60	41.20	68,079	17,850	492
Nevada	7.04	41.30	2.90	-	56.30	7,081	1,655	211
Utah	7.84	25.20	43.50	-	30.50	2,929	587	101
Arizona	7.87	43.90	2.20	24.80	29.60	10,024	1,661	543
United States	*8.21*	*36.10*	*14.30*	*18.00*	*31.00*	*379,890*	*73,329*	*8,828*
Florida	8.88	67.90	4.20	12.60	14.10	12,878	2,590	501
Colorado	9.15	25.10	27.90	-	46.50	8,432	1,936	203
California	18.07	23.90	0.10	7.30	68.90	42,423	7,323	3,204

Source
FT Locations, *fDi Strategies*, based on US Energy Information Administration, Apr 2025