

NAI Spring's Bryce Custer Seeing Increased Interest in Ohio River Locations as Manufacturing Drives Growth in OH and WV

Land Values and Sales Spike as Manufacturing Drives Growth in the Ohio River Corridor and Appalachian Basin

WEIRTON, WV, USA, January 24, 2023

/EINPresswire.com/ -- Spurred by the confluence of geopolitical instability, supply chain disruption, the reshoring trend, abundant raw materials (especially gas and oil) and other significant factors, the [Ohio River](#) Corridor and Appalachian Basin is becoming a booming real estate market and manufacturing destination in the U.S., with manufacturing investment currently estimated at over \$100 billion. [Bryce Custer](#), SIOR, CCIM, Broker with [NAI Spring](#) in North Canton, OH and Weirton, WV is seeing continued interest throughout the Ohio River Corridor for barge and rail served sites. "We are continually looking for sites along the Ohio River for both small and large projects." said Custer.

Factors that are driving land sales in his region include competitive manufacturing and infrastructure (particularly petrochemical & plastics industries), excellent logistics & transportation (Highway, Rail and Barge) services and proximity to half of the U.S. population and a third of Canada's, the CHIPS Act and Infrastructure Investment Act. Further, Custer reports, is that about a third of the natural gas consumed in the U.S. northeast is generated from the Utica and Marcellus shale fields associated with the Tri-State Area of Ohio, West Virginia, and Pennsylvania.

"Infrastructure, availability of employees and excellent trade/secondary education in conjunction with a very aggressive and business friendly state and economic leadership create the perfect environment for business and industry." said Custer.

Recent notable projects include: Weirton, Hancock County, West Virginia, Form Energy, Inc. to partner with the State of West Virginia in a \$750 million investment to manufacture iron-air

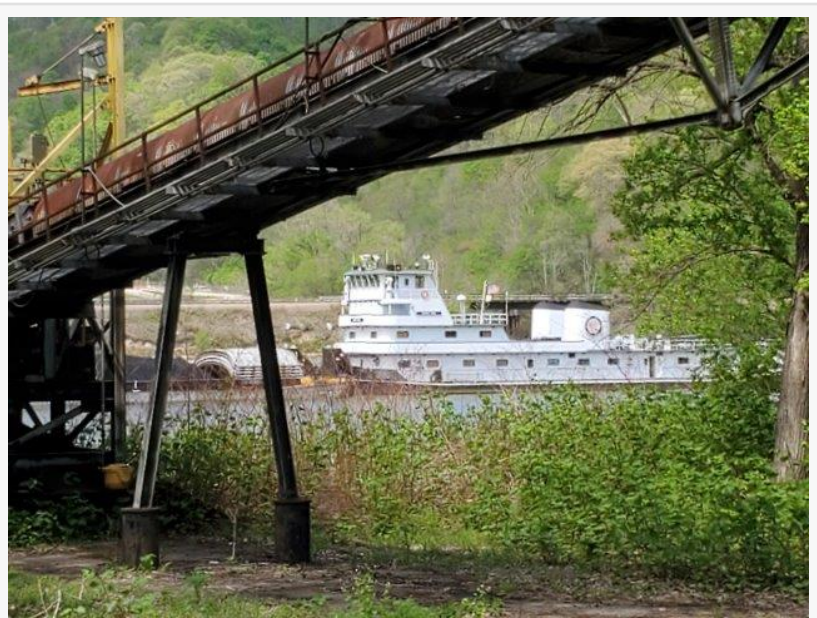


Bryce Custer, SIOR, CCIM

batteries on 55 acres in the Weirton Frontier Crossings industrial park.

Mason County, West Virginia, Nucor Corporation has announced an investment exceeding \$2.7 billion to purchase over 1,500 acres of Ohio Riverfront property served by both rail and barge to create a state-of-the-art sheet steel manufacturing plant.

Ravenswood, West Virginia BHE Renewables, a Berkshire Hathaway Energy business has entered into agreement with the State of West Virginia to purchase 2,000 acres to develop and invest \$500 million into a renewable energy microgrid powered industrial site. Precision Castparts Corporation ("PCC"), an American industrial goods and metal fabrication company and a subsidiary of Berkshire Hathaway (since 2016) will be the first company to locate on the site to produce titanium-based parts for the aerospace industry.



Material Conveyor on the Ohio River, Moundsville, WV



North and Southbound Barge Tows Ravenswood, WV

In addition, in Beech Bottom (the northern panhandle of W. VA) Pure Watercraft has a new production facility where they plan to manufacture electric-powered pontoon boats. The company chose the area because of the transportation infrastructure of rail and waterways.

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"No other area in the U.S. has the business opportunities the tri-state area (Ohio, West Virginia, Pennsylvania) offers companies. Further, and while the cost of land is rising, the area still has significant cost and resources advantages over other parts of the country." according to Custer.

However, with land in great demand, valuations spiked last year on a price-per-acre basis. For example, barge served without rail service increased to \$30,000 to \$75,000 per

acre. Yet the greatest increase in land sale pricing in 2022 occurred with properties that boasted

all three categories – river front, barge served and rail served, with those transactions trading in a broader range from \$75,000 per acre to \$250,000 per acre.

According to a report from Shale Crescent USA, the region has increasingly become competitive with China with respect to certain manufacturing processes and products.

Within a one-day drive, the Ohio River boasts:

- Over one-third of U.S. natural gas production
- A well-established industry that contains 70% polyethylene (PE) and 77% polypropylene (PP) U.S. consumption
- The ability to eliminate long-haul transportation and associated costs for both incoming resin supply and outgoing finished consumer products
- Environmental advantages by eliminating global supply chains resulting in calculable reduced emissions

Logistics and transportation:

In addition to connectivity by a mature Interstate Highway System, the region has ample rail service and barge service via the Ohio River that emerges in the Gulf of Mexico.

The abundance of natural gas:

The three-state Shale Crescent area, if separated from the rest of the U.S., would be the world's third-largest gas producer, trailing only Russia and the rest of America.

In addition, the Crescent is the top U.S. natural gas producing basin, the No. 1 natural gas producer, the No. 1 natural gas liquids producer, and current accounts for roughly 32% of total U.S. gas production. By 2040, the percentage is projected to reach 45% of total U.S. gas production, according to IHS Markit data.

China has lost its manufacturing competitive advantage and the annual \$25 billion of exported plastic-based goods from China represent a vulnerable and accessible market share opportunity for U.S. operations. What has been a long-held belief – it is cheaper to import plastic based manufactured goods – is no longer true. The forces and trends that led to offshoring U.S. manufacturing operations have reversed course and are now favoring domestic production. Feedstock/resin and transportation are the largest cost drivers of globally produced plastic-based goods. The Shale Crescent USA report finds that close proximity to low-cost raw materials coupled with direct access to consumer markets provide U.S. manufacturers with significant cost advantages over China-based competitors who must import raw materials and export finished goods. The elimination of transcontinental supply chains results in cost savings that magnify a U.S. competitive advantage. This paradigm shift favoring U.S. operations has accelerated over the past decade. These changes are fundamental, long term, and will continue for the foreseeable future.

Bryce Custer, SIOR, CCIM has been working with clients throughout the Ohio River corridor with

sales/leasing of properties and terminal operations. Custer has been actively involved with site selection for natural gas power plants and manufacturing facilities throughout Ohio and West Virginia. Custer is a member of multiple river and petrochemical/energy associations and is on the Board of Directors for Shale Crescent USA. Custer is a licensed commercial real estate broker with NAI Spring in Ohio and West Virginia and provides Site Selection and location consulting through Ohio River Corridor, LLC.

Bryce A Custer
Ohio River Corridor, LLC
+1 3304189287
bryce@ohiorivercorridor.com

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