FOR CANADIAN MANUFACTURERS

# The Canadian Manufacturer's Guide to Landing in Ohio

Tariffs, customs rules, and the lease decisions that set your U.S. cost base for the next decade.

**Midwest Tenant Advisor**

CRE intelligence for occupiers · Powered by Mohr Partners

Tenant-only advisory · 40 years · No landlord conflicts — ever.

WHY THIS GUIDE EXISTS

# A trade problem is quietly becoming a real-estate problem.

If you run a Canadian manufacturer, the question of whether to put production on U.S. soil has moved from a boardroom hypothetical to a live decision with a clock on it. Tariffs made the case; a new customs rule put a date on it. And once the decision is made, it lands — almost immediately — as a real-estate problem: where, how much space, on what terms, and how fast.

That last stretch is where first-time U.S. entrants lose the most money. Not on the headline rent, but on the structure around it — the escalations, the operating-cost pass-throughs, the term length, and the incentives left unclaimed because the window to apply closed before the lease was signed. This guide walks through what a Canadian manufacturer should understand before signing anything in Ohio or the broader Midwest — written by an advisor who represents occupiers only, and never the landlord across the table.

**29%**
of Canadian manufacturers have already moved some or all production to the U.S.

**77%**
of those still considering a move expect to do it within two years

**61%**
say their business cannot survive without U.S. market access

Source: KPMG in Canada, survey of 275 manufacturers fielded May 11–29, 2026 (released July 7, 2026).

SECTION 1

# What changed on June 3, 2026 — and why it forces a site decision

The short version: to keep importing goods into the United States under your own company's name, a foreign-headquartered business now needs a minimum level of tangible U.S. assets. That is the practical effect of the June 3, 2026 Executive Order on strengthening customs enforcement.

## What the tangible-U.S.-assets test actually means for you

A Canadian company without sufficient physical presence in the U.S. may no longer be able to act as the importer of record. The fallback is to rely on your U.S. customers to import on your behalf — a position that hands leverage to the buyer, complicates pricing, and strains the exact relationships your U.S. revenue depends on. For most manufacturers, the cleaner answer is establishing real operations on U.S. soil: a plant, a distribution footprint, or both.

## Why this turns into a ninety-day real-estate scramble

Once the strategic call is made, the timeline compresses hard. Customers want continuity of supply, the tariff math is already bleeding margin, and leadership wants the move "done." That urgency is understandable — and it is precisely the condition under which occupiers overcommit: too much space, too long a term, too little negotiating room, and no one at the table whose only job is to protect the tenant's economics.

The rest of this guide is about slowing that ninety days down just enough to get the structure right — without losing the speed the moment requires.

SECTION 2

# How urgent is this, really? What the data says

The pressure is not anecdotal. KPMG's July 2026 survey of 275 Canadian manufacturers found a sector that has shifted from talking about survival to acting on relocation.

| Finding (KPMG, 2026) | Figure |
|---|---|
| Have moved some or all production to the U.S. | 29% |
| Have not moved yet but plan to move some or all | 13% |
| Of those considering a move, expect to act within two years | 77% |
| Say the business cannot survive without U.S. market access | 61% |
| Describe themselves as operating in "endurance mode" | 52% |
| Have paused, reduced, or cancelled capital expenditure | 57% |

The read for a real-estate planner is simple: a large share of the companies that will move are moving inside the same two-year window, into the same handful of logistically sensible states. Demand for the right industrial space is arriving in waves, not trickles — which is an argument for securing terms early, while the market still favors the tenant.

SECTION 3

# U.S. vs. Canadian leases: what surprises first-time tenants

A U.S. industrial lease looks familiar on the surface and behaves differently underneath. The gaps below are where Canadian occupiers most often misjudge their true occupancy cost.

| Dimension | What first-timers expect | U.S. market reality |
|---|---|---|
| Cost structure | A rent number that is mostly "all-in." | Triple-net (NNN) is standard: base rent plus taxes, insurance, and common-area maintenance billed on top. |
| Escalations | Modest or negotiated case-by-case. | Fixed annual bumps (often 3–4%) are baked in — compounding materially over a 7–10 year term. |
| Operating costs | Landlord absorbs variability. | CAM and tax increases are typically passed through to the tenant; caps and audit rights must be negotiated. |
| Term & leverage | Flexibility to adjust early. | Longer commitments are the norm; your leverage is highest before signing, not after. |
| Representation | The broker helps both sides. | The listing broker works for the landlord. Without your own advisor, no one at the table optimizes the occupier's economics. |

**None of this makes a U.S. lease a bad deal — it makes it a structured deal. The dollars that move an occupancy from average to excellent are almost all in the clauses, not the headline rate.**

SECTION 4

# The incentives first-time entrants leave on the table

Ohio actively courts exactly the kind of project a relocating manufacturer represents — but most of these programs must be engaged before the site is locked and hiring begins. Miss the sequence and the money is simply gone. A representative set of programs:

- JobsOhio Economic Development Grant — funding for projects that drive job creation and capital investment; discretionary and negotiated up front.
- JobsOhio Growth Fund Loan — capital for expansion for companies with proven revenue but limited access to conventional financing.
- JobsOhio Workforce Grant — funding to train and upskill the workforce you'll be hiring.
- Job Creation Tax Credit — a refundable credit tied to creating at least 10 new jobs within three years; applicants must be approved by the Ohio Tax Credit Authority before hiring begins.
- Community Reinvestment Area (CRA) abatement — real-property tax exemptions of up to 100% of improvement value for up to 15 years, agreed with the local community.
- Enterprise Zone Program — additional local real-property tax incentives for qualifying expansion or relocation projects.

The pattern to notice: nearly every program is pre-commitment. Approvals, local agreements, and tax-credit authority sign-offs have to be in motion while you still have options — which is the same window in which lease terms are decided. Incentives and real estate are not two workstreams; they are one negotiation.

Program terms change; treat the list above as a map of what to ask for, and confirm current specifics with JobsOhio and the Ohio Department of Development as part of your site process.

SECTION 5

# Why Ohio and the Midwest, specifically

For a Canadian manufacturer, the Midwest is often the shortest path to a functioning U.S. footprint — close to home, close to customers, and still priced in the tenant's favor.

- Logistics. Most of the U.S. and Canadian population and manufacturing base sits within a one-day truck haul of central Ohio — a genuine advantage for cross-border supply chains.
- A market that is balancing, not overheating. Cleveland industrial vacancy was 4.1% in Q3 2026, with roughly 642,000 SF of new supply under construction — up nearly 70% quarter-over-quarter (CBRE). New options are coming online just as demand builds.
- Workforce depth. A deep, incentive-backed manufacturing labor pool across Ohio, Michigan, Indiana, Kentucky, and Western Pennsylvania.
- Proximity to the border. Northern Ohio and Michigan keep you within reach of Ontario operations during a phased transition rather than a hard cutover.

The strategic point is timing. Demand from relocating companies is arriving in a compressed window; the occupiers who move while vacancy and new supply still give them choice will set materially better terms than those who arrive late to the same handful of buildings.

SECTION 6

# The leverage trap — and how occupier-only advice avoids it

Here is the trap in one sentence: the broker who has the building you like is paid by the landlord, and a company negotiating its first U.S. lease under time pressure, in an unfamiliar market, with no one on its own side, has almost no way to know what it left on the table.

The cost rarely shows up in the rent line you were watching. It shows up in an escalation a point too high, a CAM clause without a cap, a term a few years too long, a renewal option that wasn't secured, or an incentive that was never applied for. Individually small; over a decade, the difference is substantial.

## What a tenant-only advisor does differently

Mohr Partners represents occupiers — and only occupiers. In 40 years we have never represented a landlord, which means when we run your site search, model your lease economics, and sequence your incentives strategy, we have no stake in where you land. Our only stake is in the terms you land on. We diagnose the full picture first — what the market looks like, what the space should truly cost you, where the leverage sits — and then negotiate it on your behalf.

## The decision isn't whether to move. It's whether to move represented.

NEXT STEP

# Start the conversation before the clock sets your terms for you

If a U.S. move is on your horizon — whether it's next quarter or sometime in the next two years — the most valuable time to talk is early, while you still have options and leverage. There's no cost to the conversation, and because we represent occupiers only, no agenda about where you end up.

## Talk to the Mohr Partners Midwest team

Tenant-only representation across Ohio, Michigan, Indiana, Kentucky & Western PA. No landlord conflicts — ever.


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