



Rural Land Grab

Companies investing in artificial intelligence are looking for land in rural areas to build huge, power-hungry data centers.



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"Rural Illinois Data Center Boom: Landowners, Are You Ready?"

By Ruth Robinson
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ARTIFICIAL INTELLIGENCE (AI) IS COMING, and it is coming fast. It is poised to transform industries, automate complex tasks, analyze data faster, and supposedly make smarter decisions for businesses. In particular, the demand for AI will change real estate and rural America due to heightened demand for data centers.

Tech companies, including Meta, are pressing into unexpected parts of the country on the hunt for huge swaths of flat land that have access to natural gas and transmission lines. Sleepy parts of Illinois, with large tracts of farmland that have nearby infrastructure to

support the huge demand for electricity that data centers require, are being shopped right now. The boom is on.

Benefits & pitfalls of data centers

Related Companies, one of the most prominent privately-owned real estate firms in the U.S., recently announced that it was looking to raise up to \$8 billion to develop data centers (see law.isba.org/3HPKZPN). Although its first project is located in Ontario, Canada, additional projects are planned in Illinois, Missouri, and Wyoming. Since Chicago's suburbs have become a national hotspot for data center investment, it is no surprise Illinois is a desirable location for these data centers. Among their benefits are huge financial rewards to landowners. Cushman & Wakefield's 2025 Data Center Development Cost Guide (law.isba.org/4kEEs9i) for the U.S.

notes the average per-acre price for land that data centers were paying through October 2024 was \$224,000. The average data center parcel is 224 acres.

In addition to financial benefits, data centers will bring money, jobs, and local tax revenue. According to an article in The Wall Street Journal authored by Jennifer Hiller, permanent jobs for a Meta data center are expected to have average annual salaries of \$82,000 ([lawisba.org/4jMcrXb](https://www.lawisba.org/4jMcrXb)). This likely pays more than most jobs that currently exist in many rural areas, resulting in additional infrastructure demands for those moving there, including housing, food, etc.

Despite these benefits, concerns remain. Chief among them is the huge electricity burden to the area and on existing electricity customers. In

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addition, while sales of land have yielded huge figures, other projects such as housing development are being scrapped.

Takeaways

The increased demand for data centers

presents exciting new opportunities for real estate developers and landowners. Those looking to capitalize on these projects should:

- investigate the proximity of needed infrastructure to your property site;
- determine if there are any local impediments, such as zoning restrictions or community resistance;
- understand project-specific risks and external challenges;
- prepare for deals that require careful negotiation and review of contract terms; and
- consider appropriate entity formation ahead of time for realty ownership, such as an LLC or corporation. ¹⁵

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