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Manufacturing Momentum

Five Years In - Progress, Pressures and New Priorities.

NEWMARK

Foreword

This report is the fourth installment of a Newmark Industrial Research series exploring the growth in advanced manufacturing in North America since 2020.

Throughout this series, we have quantified and studied the evolution of U.S. manufacturing growth and its drivers. We build upon that work in this installment with an updated quantification, as projects continue to move forward from announcement to construction and ultimately to production. We also analyze how and why the makeup of investment has shifted, manufacturing's 'multiplier effect', and how this growth will continue to shape the industrial market into the future.

Since our initial report launch in September 2023, investment in U.S. manufacturing growth has continued, driven by corporate derisking strategy and federal policy. The market is just now, five years in, beginning to bear the fruits of over three quarters of a trillion dollars of investment. Before this trend started in earnest, markets like Dallas and Houston were already dominant among top industrial demand hubs. Now, markets like Kansas City, Columbus and Phoenix are joining the top strata of markets driving net absorption in 2025, driven in part by the delivery of major manufacturing plants and from halo-effect leasing from suppliers, contractors, and other support systems.

Yet some pieces of the puzzle remain unsolved and new snags are emerging. The generational development boom in major manufacturing projects and data centers alike has constrained tangible resources such as land, power and labor. In addition, the events of 2025 have revealed that reshoring production does not fully derisk supply chains if geopolitical rivals still control many of the inputs, machinery, and raw materials behind alternative sourcing. Newmark anticipates that institutional and private capital investment targeting the entire supply chain will bring a more vertically integrated, holistic approach to support future growth, building on the initial foundation laid these last five years.

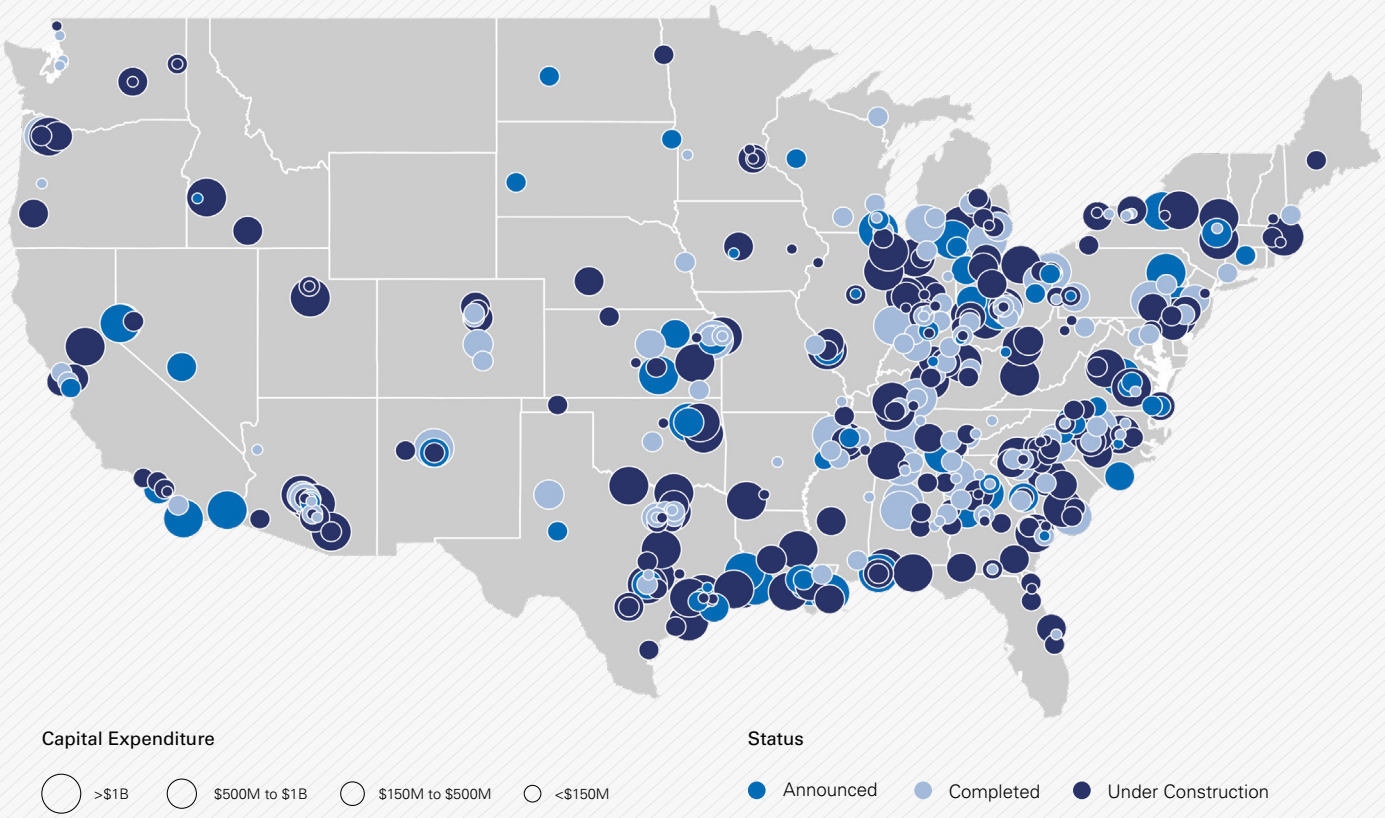
U.S. Manufacturing Survey Updates – Five Years In

Newmark's analysis of major manufacturing projects announced since 2020 reveals that though the pace of investments peaked in 2022, a reacceleration is underway. Despite international trade uncertainty and changing U.S. policies, 2025 ranked as the most active year for manufacturing investment since 2022, propelled in part by TSMC's additional $100 billion commitment to its Phoenix, AZ campus expansion.

Newmark's current tally of active major manufacturing investments announced since 2020 totals 500+ projects, equaling $772 billion in investment, and pledging over 400,000 new jobs and a minimum of 350 million square feet in new manufacturing inventory.

Nearly 80% of all announcements tracked have proceeded. Approximately 30% of projects are already operational, with an additional 46% actively in development. Only 10% of the projects tracked have been cancelled outright or face significant setbacks.

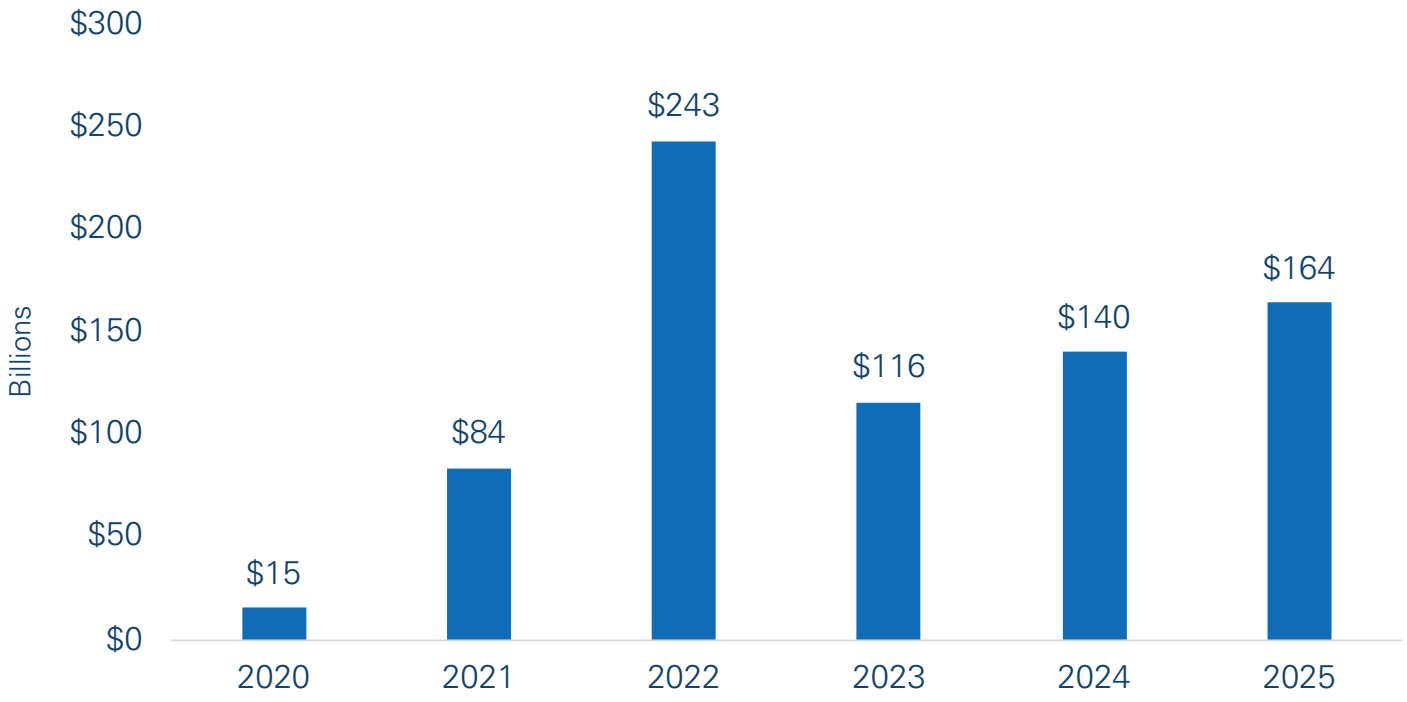
U.S. Active Major Advanced Manufacturing Announcements 2020-2025



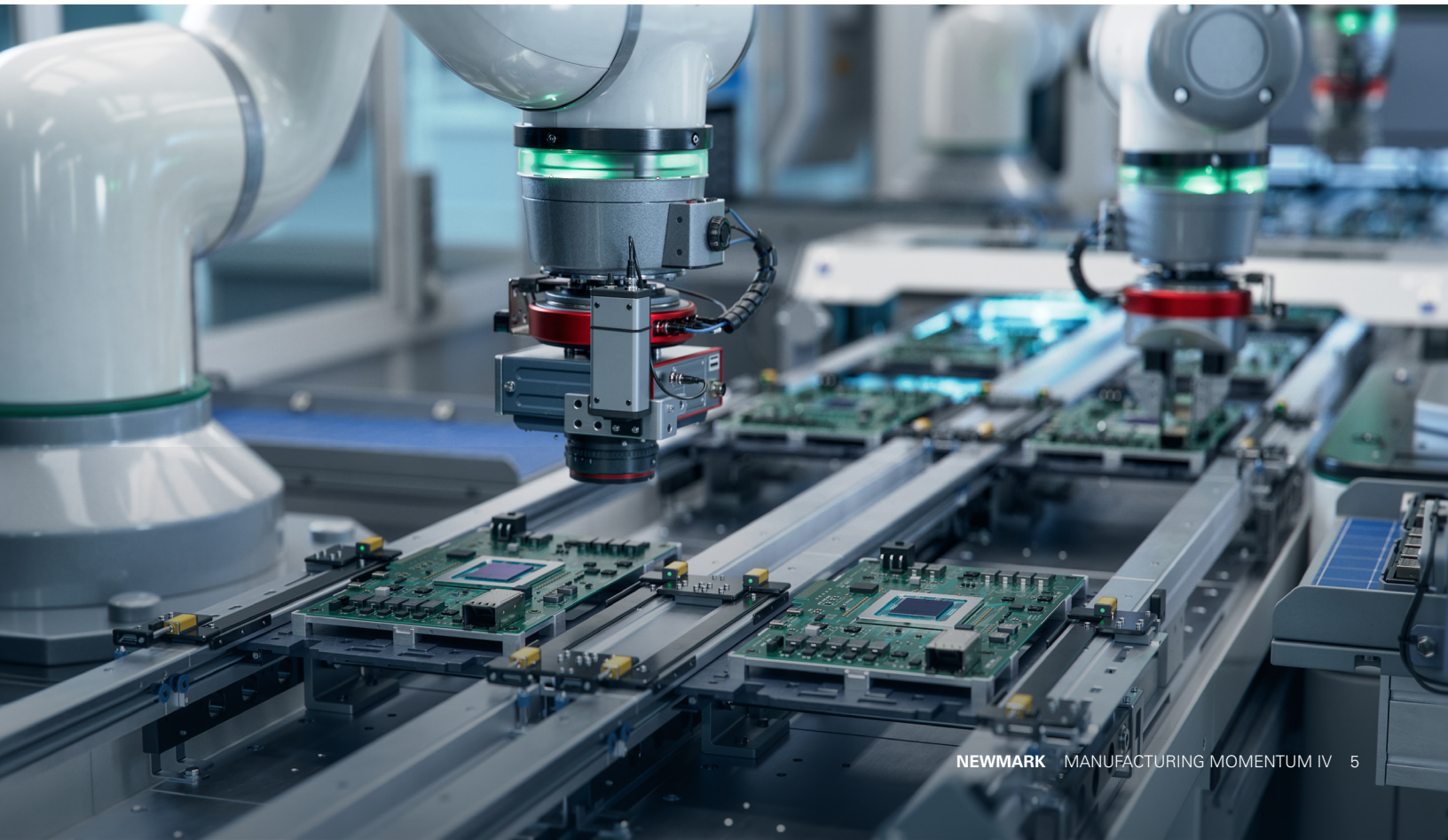
Sources: Newmark Research, various press releases and articles.

Note: Investments tracked are $100 million or greater and include specific real estate expansion projects. Investment dollars may include allocations to real estate and equipment, infrastructure, intellectual property and other outlays.

Total U.S. Major Manufacturing Investment by Year



Source: Newmark Research. 2025 survey through November.



How is the Industry Mix of Investments Shifting?

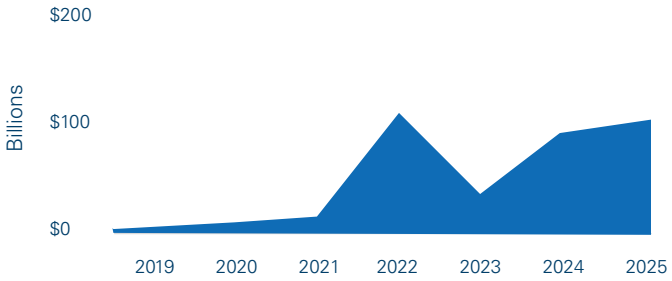
Newmark's survey of major U.S. manufacturing projects shows investment is primarily driven by four key manufacturing segments, which together account for nearly 90% of announcements since 2020.

These advanced, capital-intensive sectors - where growing domestic capacity is geopolitically important - continued to drive investment in 2025. Growth, however, was uneven: some industries surged; others pulled back or recalibrated.

U.S. Manufacturing Investment by Sector

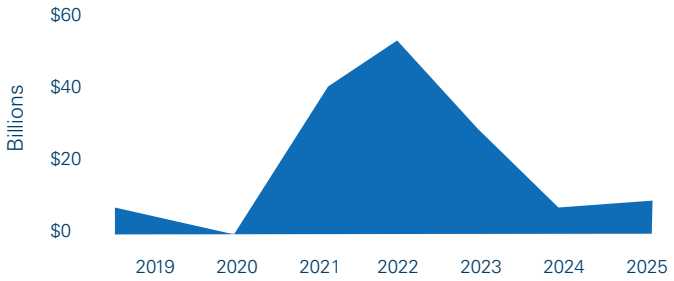
HIGH-TECH/ DIGILIZATION

Think: Semiconductors



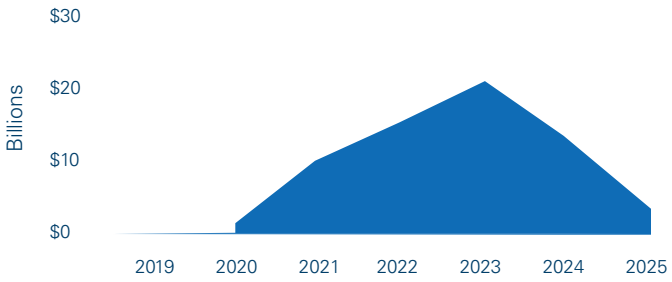
AUTOMOTIVE/ TRANSPORTATION

Think: Electric Vehicles (EVs)



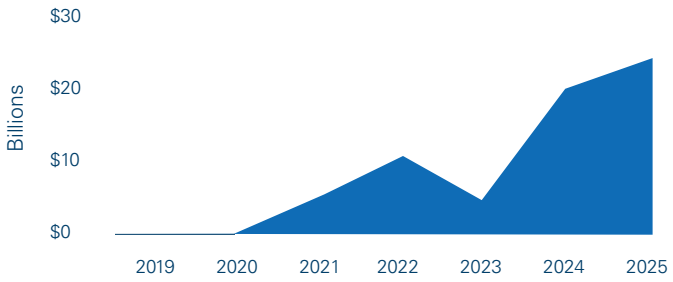
ENERGY

Think: Batteries & Solar Panels



BIOMANUFACTURING

Think: Pharmaceuticals

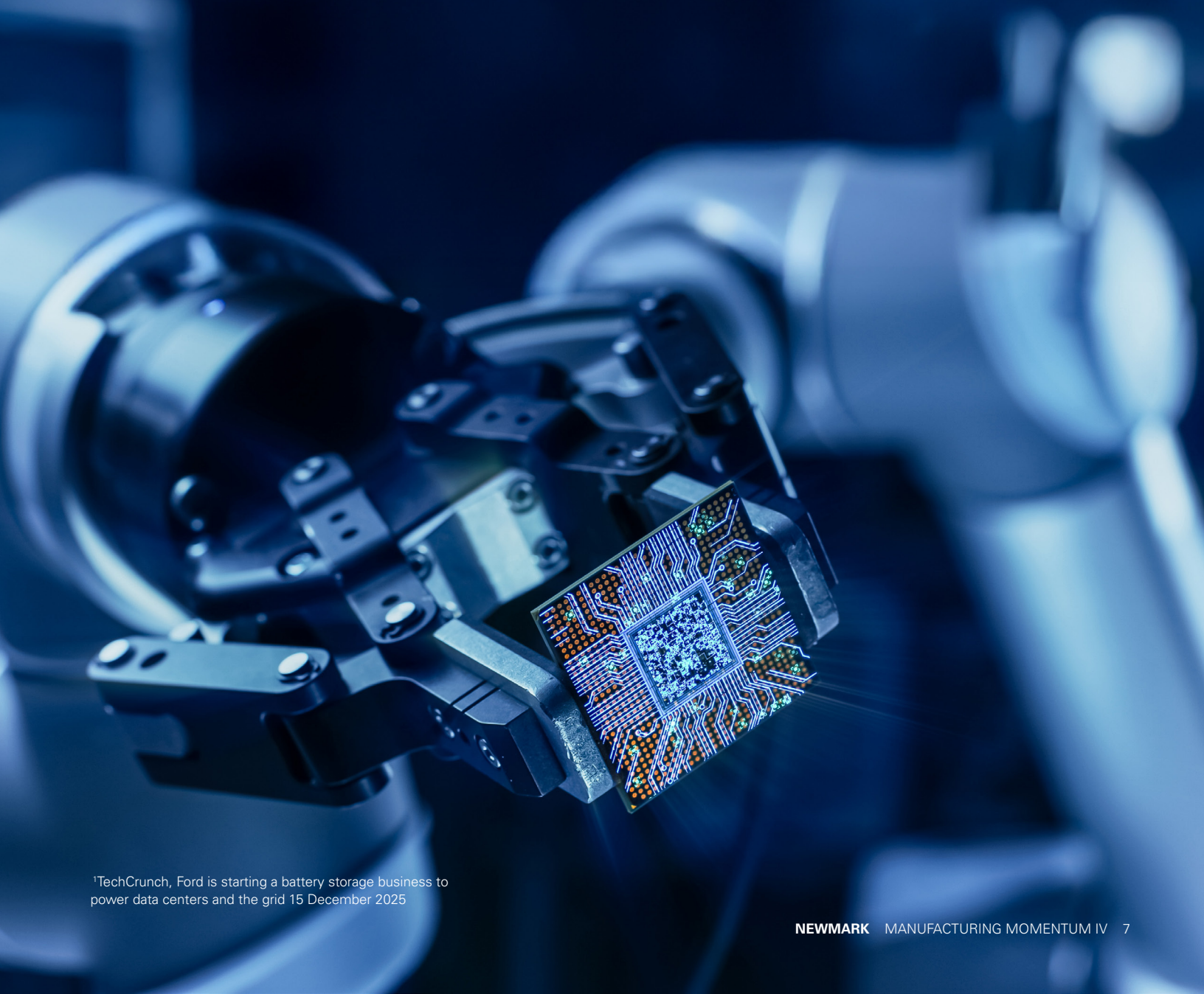


Sector Share of Overall U.S. Manufacturing Investment

Year	Automotive/ Transportation	Biomanufacturing	Energy	High-Tech/ Digitalization	Other
2020 thru 2022	28.2%	4.8%	7.3%	45.8%	13.9%
Since 2023	9.7%	13.0%	9.6%	58.9%	8.9%
Change	**-18.5%**	8.1%	2.3%	**13.1%**	**-5.0%**

Since the investment peak in 2022, commitments have expanded notably in High-Tech/Digitalization and Biomanufacturing, while the automotive/transportation sector, namely electric vehicles (EVs), has seen the steepest decline amid softer consumer demand and fluctuating federal and local legislation and incentives. On the other hand, AI's explosive adoption is driving a surge in U.S. data center capacity which has accelerated domestic demand for internal components (chips, servers, racking) and the energy infrastructure to power them (battery manufacturing, transmission wires, gas turbines, transformers). Indeed, some completed EV production facilities are now being repurposed to produce stationary batteries for utilities and data centers.[1]

Growth in robotics and defense is broadening the high-tech/digitalization narrative beyond semiconductors, although chip production still accounts for the majority of that sector's investment. To illustrate, the aforementioned TSMC $100B expansion announcement comprised 60% of all pledged manufacturing investment in 2025. Biomanufacturing also has incredible momentum, with pledged investment up 20% since 2024 – the largest increase of the four major sectors, marking the start of a biomanufacturing investment super-cycle.



[1]TechCrunch, Ford is starting a battery storage business to power data centers and the grid 15 December 2025

Spotlight on Biomanufacturing

Policy shifts, tariff uncertainty and efforts to strengthen the resilience of domestic pharmaceutical supply chains have sparked a wave of U.S. production facility announcements. Major drugmakers are investing at scale, with Merck, Eli Lilly, and Johnson & Johnson committing billions to expand their manufacturing operations. In 2025 alone, pharmaceutical and life science companies pledged more than $26 billion in U.S. manufacturing capex, a record in Newmark's tracking since 2020. Combined with 2024's previous peak, new biomanufacturing facility announcements over the last two years total nearly $50 billion, which is almost 80% more than all capital expenditures announced from 2020 to 2023.

Every major U.S. region recorded at least one significant facility announcement in 2025, with the Northeast and South leading. The Northeast captured nearly $12 billion, surpassing the South by a modest margin. Established life science nodes like Boston, San Diego, the Bay Area, Philadelphia and the Research Triangle have each secured at least one new facility announcement in the last year. As major pharmaceutical companies continue to focus on long-horizon infrastructure plays, biomanufacturing will remain a key growth engine within the ever-evolving U.S. advanced manufacturing landscape.

The investment surge is a clear green shoot for the broader life science sector, beset by significant headwinds in recent years. The subsequent impact on upstream and downstream providers has resulted in the expansion of ancillary life sciences uses. Life science companies are increasingly expanding their cold storage facilities or relying more on white-glove, highly specialized cold chain service providers as they scale up domestic manufacturing operations, particularly for biologics, cell and gene therapies and other temperature-sensitive products. As production volumes grow, users require more refrigerated and freezer storage capacity near their manufacturing lines.

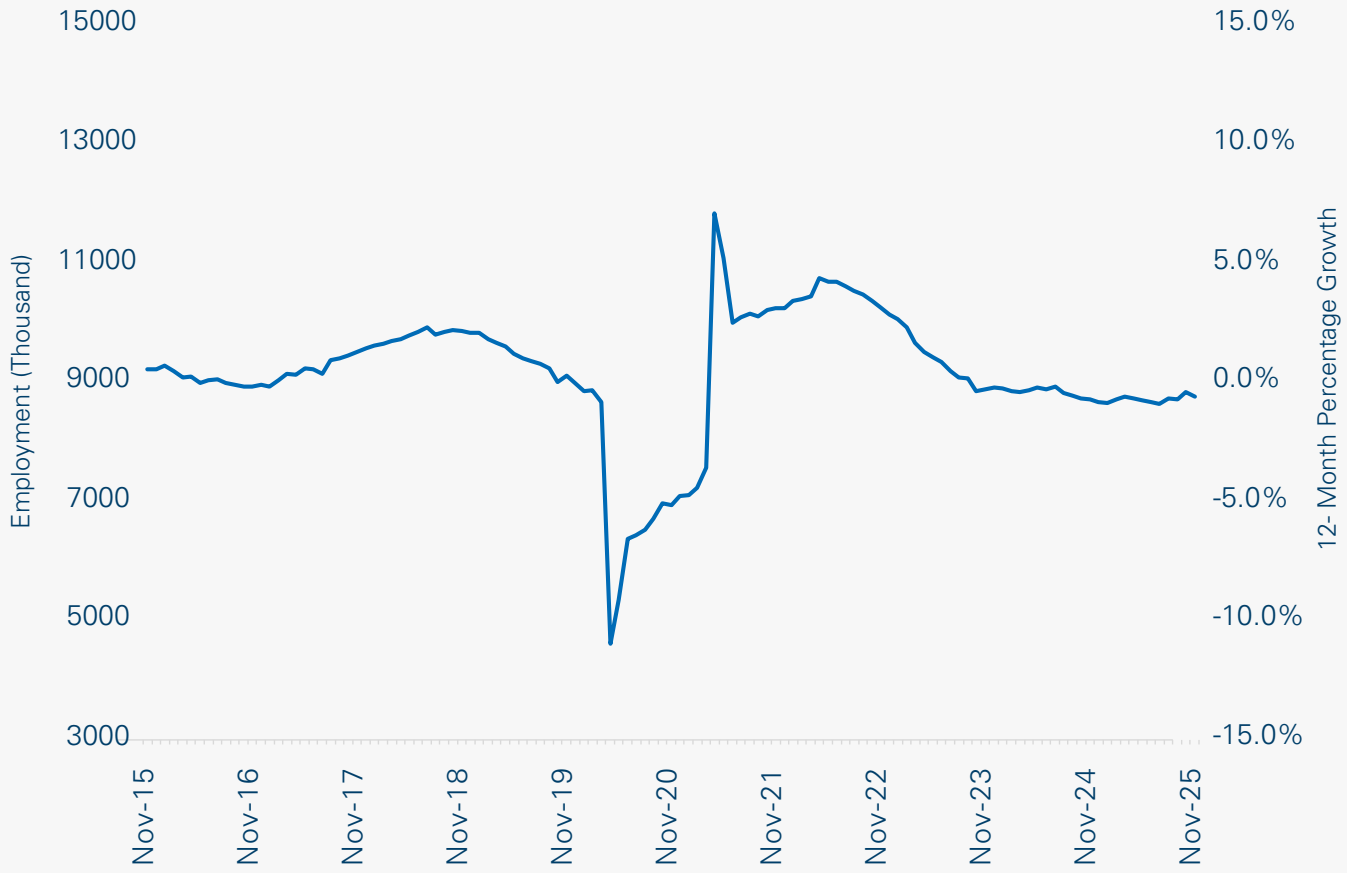
Many companies are co-locating these expanded cold storage assets in markets where the life science sector is already concentrated, as well as emerging markets reacting to the increase in manufacturing facilities. In Greater Boston, Tobin Scientific and Sterling Life Science Logistics are expanding their cold storage space on a smaller scale while firms like Frontier Scientific Solutions and Cardinal Health are building sizeable new operations in North Carolina and Indiana, respectively.

Manufacturing Investments Starting to Impact Market Labor and Industrial Leasing Activity

In 2025, the U.S. manufacturing industry faced a challenging economic environment due in large part to trade policy uncertainty. Manufacturers faced higher costs for inputs and a weaker external demand environment, leading them to reduce employment in the aggregate. This naturally raises questions about the viability of previously announced investments and the expected resulting jobs and real estate demand.

Despite this national contraction in manufacturing labor, certain regions with strong manufacturing investment are bucking the trend. The U.S. lost approximately 151,000 manufacturing jobs between 2Q 2024 and 2Q 2025, but Texas- the state with the most project announcements- added nearly 10,000 jobs over the same period. This pattern extends in a detailed analysis of economic and industrial market trends in a primary and tertiary market seeing outsized manufacturing investment.

Total Employment and 12-Month Growth Rate, Manufacturing



Source: U.S. Bureau of Labor Statistics

Multiplier Effect Analysis - A Tale of Two Markets

Phoenix, AZ, a Primary Market

Phoenix leads the country in major manufacturing announcements on a market basis and is home to a vibrant and growing semiconductor ecosystem, including the $165 billion TSMC chip campus, the largest single investment in greenfield U.S. manufacturing on record. From 2019 to year-end 2024, notably when the first of TSMC's fabrication plants commenced production, metro employment in occupations directly associated with advanced manufacturing operations increased 15.3%, outpacing broader job growth. These jobs command a median income 77% above the metro baseline, driving elevated retail and ecommerce sales as new high-earning employees spend their wages.

This employment trend will be accretive to sustained industrial real estate demand as subsequent fabs and other manufacturing projects complete construction, reach full staffing levels and commence production. The broader economic impact is even more pronounced in supplier and ecosystem employment, which has grown 27% since 2019, driven primarily by construction and skilled trades jobs required for facility buildout. Phoenix has also seen a structural shift in leasing activity, propelled in part by an influx of suppliers and expanded warehouse requirements supporting consumption growth amid expanding population and manufacturers' employment. Quarterly industrial leasing increased 60% on average since 2021, averaging 5.6 MSF compared to 3.5 MSF between 2015 and 2020. Even when excluding the pandemic-driven demand surge of 2021-2022, quarterly volume since 2023 has remained 37% above the pre-2020 baseline.

Phoenix, AZ Employment Landscape – 2019–2024

Employment Category	Total Employment 2024	Total Employment 2019	Absolute Employment Growth	Employment Growth %	Contribution to Metro Growth	Median Income 2024
All Occupations	2,343,250	2,121,110	222,140	10.5%	-	$49,840
Manufacturing Onsite/ Core Plant Roles	**146,910**	**127,400**	**19,510**	**15.3%**	**8.8%**	**$88,075**
Suppliers & Ecosystem	268,260	211,960	56,300	26.6%	25.3%	$48,698

2.3%

Phoenix Metro Quarterly Average Retail Sales Growth, 2021–Present

Surpassing U.S. Total of 1.0%

2.9%

Phoenix Metro Quarterly Average E-Commerce Sales Growth 2021–Present

Surpassing U.S. Total of 2.2%

Phoenix New Leasing, Analysis 2015–2020 vs 2021–Q3 2025

Measure	Percentage Difference from Previous Period
Number of New Deals (50K+, Sum Total)	39% Higher
New Leasing Volume (50K+, Sum Total)	66% Higher
Average New Deal Size (50K+)	20% Higher

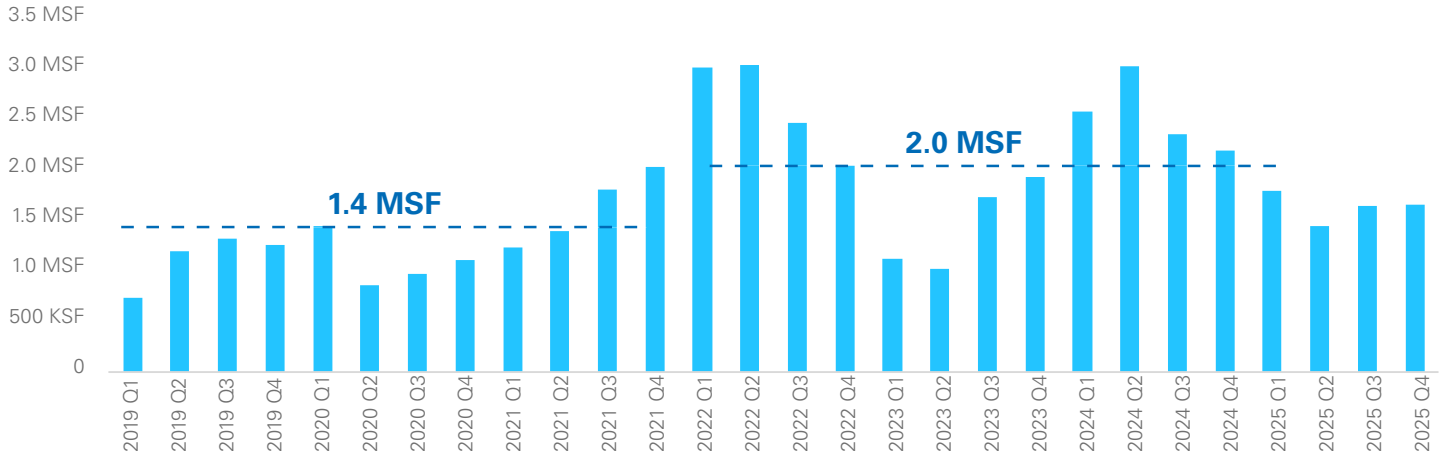
Savannah, GA, a Tertiary Market

Manufacturing investment has had an even more visible impact on a much smaller market like Savannah. As the market's largest manufacturing project, Hyundai's Metaplant, moved from announcement to operation, its ramp-up produced measurable spillovers, including higher-paying job growth and stronger industrial leasing activity.

Roles related directly to plant operations[2] grew 20.2% since 2021, far outpacing the metro's overall 10.2% gain. Supplier roles and the broader ecosystem employment grew in turn, reflecting the trucking, warehousing and site work that accompany large-scale production. Taken together, these cohorts accounted for roughly 24% of metro net job gains from 2021 to 2024. The quality of jobs also improved along with the quantity: in 2024, the median income for direct roles reached $54,634, 18.5% above the metro median.

The real estate response was just as clear. Within a 15-mile radius of the Metaplant, quarterly industrial leasing activity rose from an average of 1.4 million square feet from 2019 to 2021 to 2.0 million in 2022 to 2024, a 40% increase. The lift came from both a higher number of transactions (+16.1%) and a sharp rise in average transaction size (+113.1%). Notably, two marquee Hyundai suppliers committed to significant footprints nearby, Seoyon E-HWA with 346,500 square feet and Kyungshin America with 136,533 square feet. In short, the plant did not just add jobs; it helped create a larger, more diverse and more durable market for space, strengthening Savannah's competitiveness. Notably, Hyundai announced in early 2026 that it aims to train and deploy 30,000 AI-powered humanoid robots per year at its Metaplant campus starting in 2028, providing a safer and more productive work environment for the factory's labor force. This announcement signaled how AI and robotics are poised to play an ever-more-important role in the factories of the future, solving some labor constraints while creating new roles for training and servicing.

Savannah Leasing Activity (Rolling 12-month Avg)



Savannah, GA Employment Landscape 2021 - 2024

Category	Total Employment 2024	Total Employment 2021	Absolute Employment Growth	Employment Growth %	Median Income 2024
All Occupations	195,030	176,920	18,110	10.2%	$46,100
Direct	18,350	15,270	3,080	20.2%	$54,634
Supplier	3,950	3,340	610	18.3%	$48,187
Ecosystem	18,630	17,970	660	3.7%	$47,396

Source: Newmark Research, Moody's, CoStar

[2]Direct roles include production and assembly, industrial maintenance and mechatronics, quality and process, engineers and managers, material handling and internal logistics, and on-site support functions.

The top five markets by number of announced projects all have at least 10 major manufacturing investments and offer a nexus of skilled labor, generally lower-cost power or offering some form of energy deregulation, access to abundant and attractively priced Class A warehouse space and strong logistics infrastructure. The markets are:

1 PHOENIX, AZ

- Power Cost: 11.2% Below the National Average
- Advanced Manufacturing LQ: 0.9
- 3Q25 Class A Warehouse Vacancy Rate: 26.0%

2 DALLAS, TX

- Power Cost: 23% Below the National Average
- Advanced Manufacturing LQ: 1.0
- 3Q25 Class A Warehouse Vacancy Rate: 13.6%

3 HOUSTON, TX

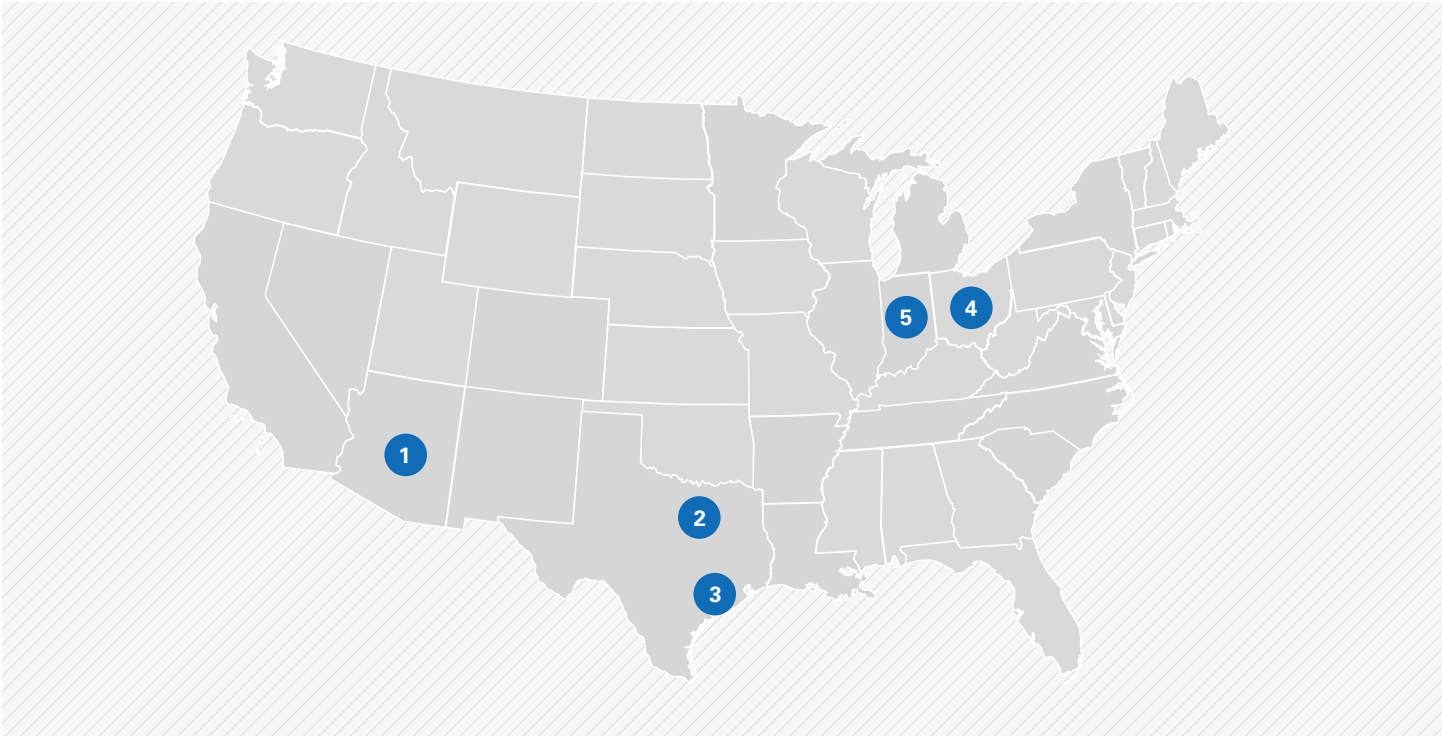
- Power Cost: 23% Below the National Average
- Advanced Manufacturing LQ: 1.1
- 3Q25 Class A Warehouse Vacancy Rate: 11.7%

4 COLUMBUS, OH

- Power Cost: 5% Higher than National Average
- Advanced Manufacturing LQ: 1.0
- 3Q25 Class A Warehouse Vacancy Rate: 10.1%

5 INDIANAPOLIS, IN

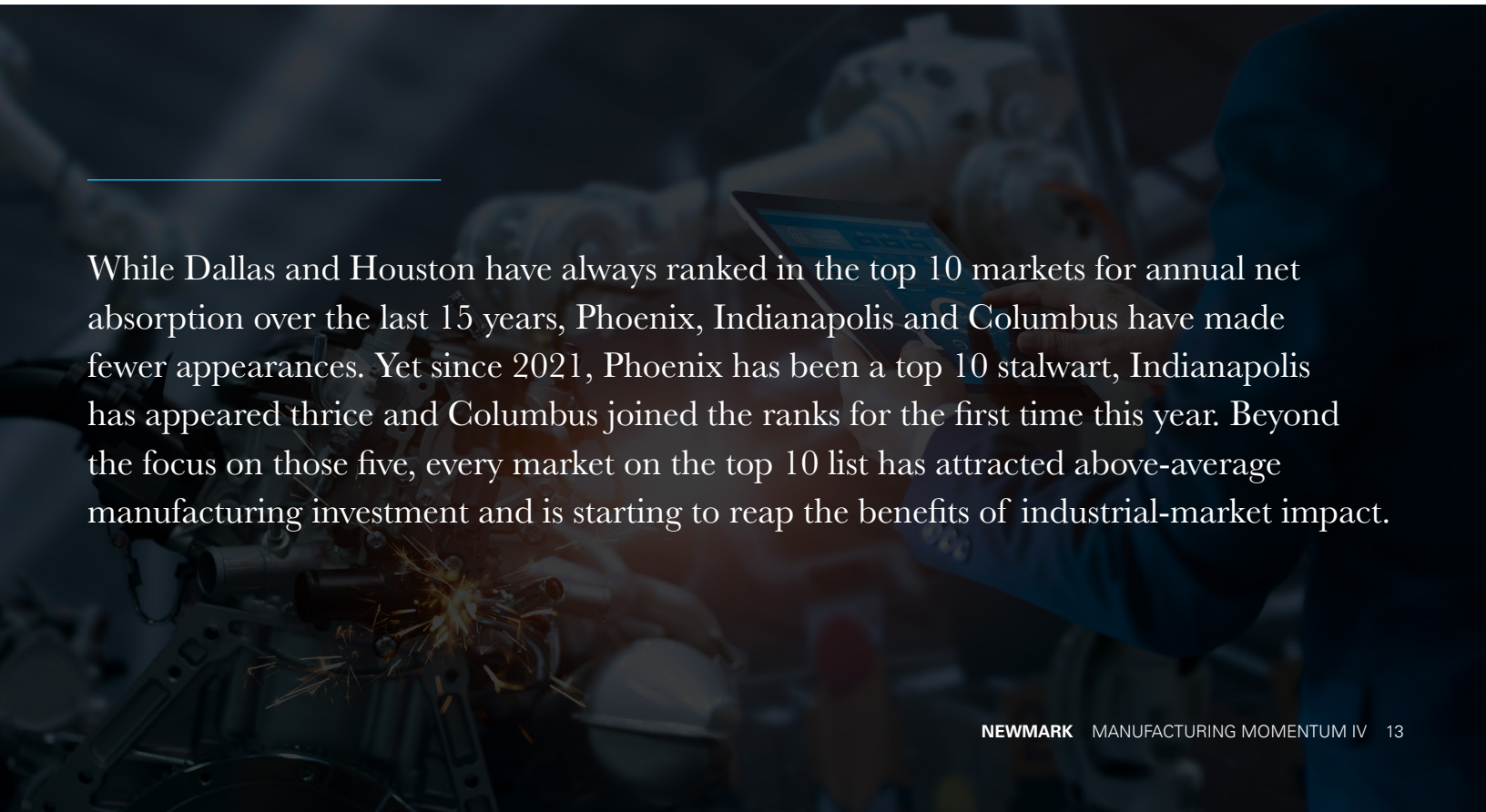
- Power Cost: 6% Higher than the National Average
- Advanced Manufacturing LQ: 1.1
- 3Q25 Class A Warehouse Vacancy Rate: 16.2%



Source: Newmark Research, JobsEQ, U.S. Energy Information Administration (industrial power costs as of October 2025).

Those same markets have all seen significant increases in industrial leasing activity compared to the pre-2020 average baseline. Together, they've experienced average annual leasing growth of 37% between pre-2020 levels and 2021 to 2025, far exceeding the U.S. average of 9% growth over the same period. All five markets also rank among the top performers for net absorption in the U.S. through the third quarter of 2025, driven largely by major production facility deliveries and the multiplier effect of supplier and related industry leasing.

Net Absorption: Top 10 Markets	
Market	**2025 YTD Net Absorption (msf)**
Dallas	19.0
Phoenix	15.6
Kansas City	8.1
Columbus	5.4
Greenville, SC	5.3
Houston	5.2
Raleigh/Durham	4.5
Indianapolis	3.6
Savannah, GA	3.4
Las Vegas	3.3
United States	**81.9**



While Dallas and Houston have always ranked in the top 10 markets for annual net absorption over the last 15 years, Phoenix, Indianapolis and Columbus have made fewer appearances. Yet since 2021, Phoenix has been a top 10 stalwart, Indianapolis has appeared thrice and Columbus joined the ranks for the first time this year. Beyond the focus on those five, every market on the top 10 list has attracted above-average manufacturing investment and is starting to reap the benefits of industrial-market impact.

Navigating New Snags

Critical materials and feedstock processing are missing pieces of the puzzle.

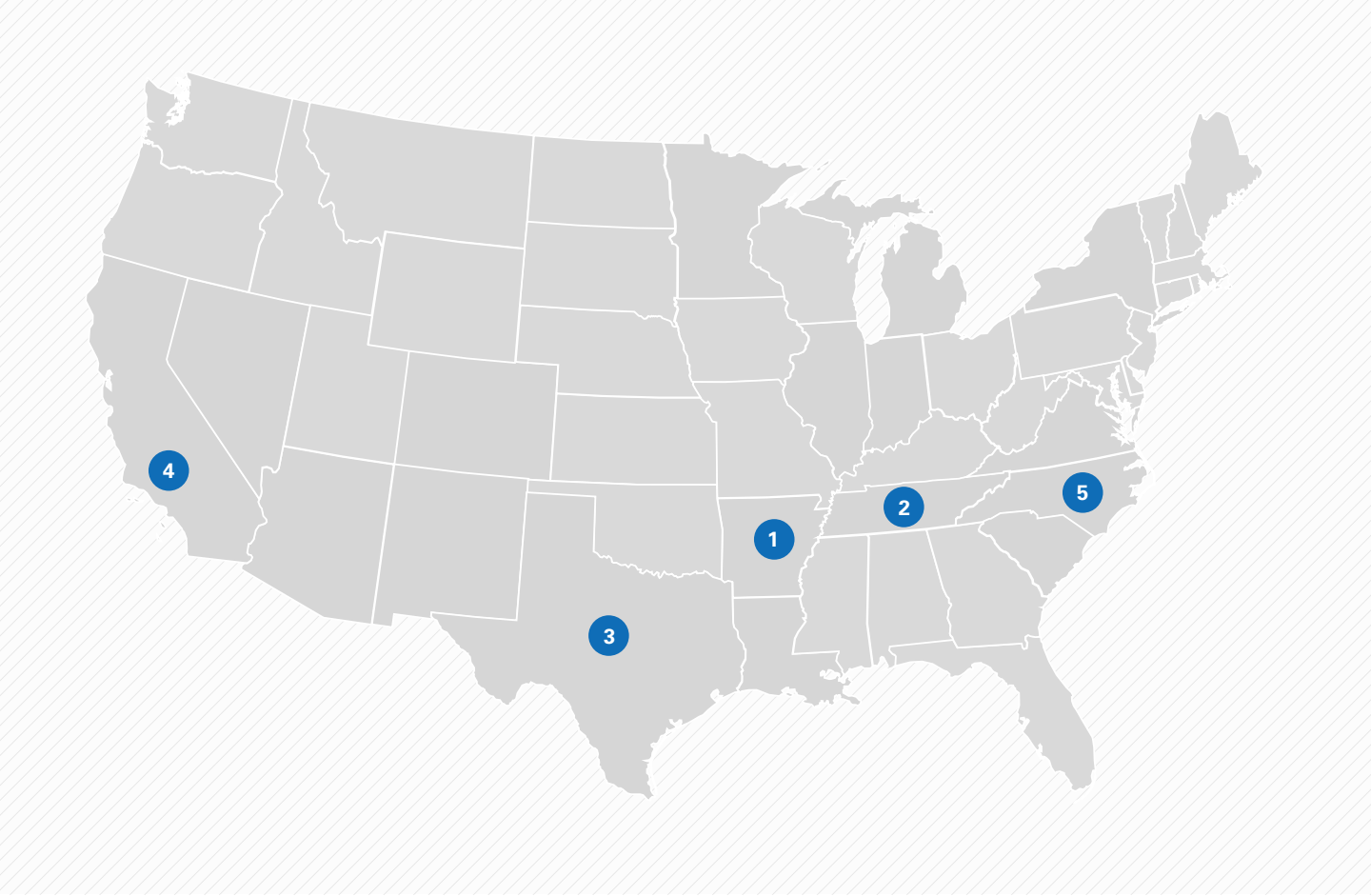
Domestic manufacturing investment is in a maelstrom moment, being catalyzed and constrained by a cavalcade of forces: geopolitical tensions, fast technological advancement in future-shaping industries, evolving industrial policies, deep constraints in power and labor and 18,000 other challenges[3]. The Site Selectors Guild's 2025 State of Site Selection report cited constant volatility in tariff policies as the top factor impacting manufacturing site selection, a new and pervasive concern among the familiar, basic tenets of finding development-ready sites, securing power and workforce availability – challenges which have not diminished. Yet events observed in 2025 showed that determination and powerful balance sheets can and will continue to drive reindustrialization. 2025 also laid bare a host of new impediments, namely, the U.S. is critically dependent on foreign sources, particularly China, for essential materials that power the domestic advanced manufacturing buildout. The U.S. is fully import reliant on minerals like gallium and graphite and has over 80% reliance on rare earth elements needed for semiconductors, EV batteries, defense systems, and pharmaceuticals[4].

This vulnerability became acutely clear amid escalating trade tensions between the U.S. and China in 2025, culminating in evolving export restrictions on rare earth magnets and technology. Without securing upstream supply chains, particularly feedstock processing and refining capacity, recent investments in domestic manufacturing remain exposed to disruptions like the 2020 global pandemic, or the 2025 geoeconomic confrontation. Correspondingly, the U.S. government is making significant moves in this sector, reducing regulatory barriers to production, signing agreements with mineral-rich allies, allocating $7.5B for critical minerals investment in the One Big Beautiful Bill Act, and investing in private-sector mining and refining companies.

With investment-grade offtake agreements from the likes of Apple, General Motors and the Department of Defense providing long-term revenue stability, liquidity from institutional investors becomes paramount to fund the continued development of upstream mining expansions, midstream processing capacity and downstream integrations, including export capability to geopolitical allies.

[3]New York Times, 18,000 reasons it's so hard to build a chip factory in America 8 December 2025.
[4]U.S. Geological Survey, 2025

Select Major Critical Minerals Supply Chain Announcements, 2025



1 ARKANSAS

Smackover Lithium, a JV between mineral development company Standard Lithium and energy company Equinor, received a $225M grant from the DOE for lithium extraction and is seeking debt financing to fund the first phase of its mining project.

2 TENNESSEE

Korea Zinc will invest more than $6.6B in new mining and production facilities in Clarksville and Gordonsville, the company's first U.S. locations and the largest single private corporate investment made in Tennessee's history.

3 TEXAS

Also stemming from the multibillion-dollar partnership with the U.S. DoD and key offtake agreements with Apple and GM, MP Materials' Fort Worth facility will dramatically expand capacity and a new "10X Facility" will be constructed to further expand rare earth magnet production.

4 CALIFORNIA

- EnergySource Minerals secured a commitment for up to $1.36B from the U.S. government for construction, equipping, and operation of a facility in Imperial County to produce lithium hydroxide.
- MP Materials to add additional heavy rare earth separation and recycling capabilities at its Mountain Pass operation, part of a multibillion deal with the U.S. government, and a separate $500B deal with Apple.

5 NORTH CAROLINA

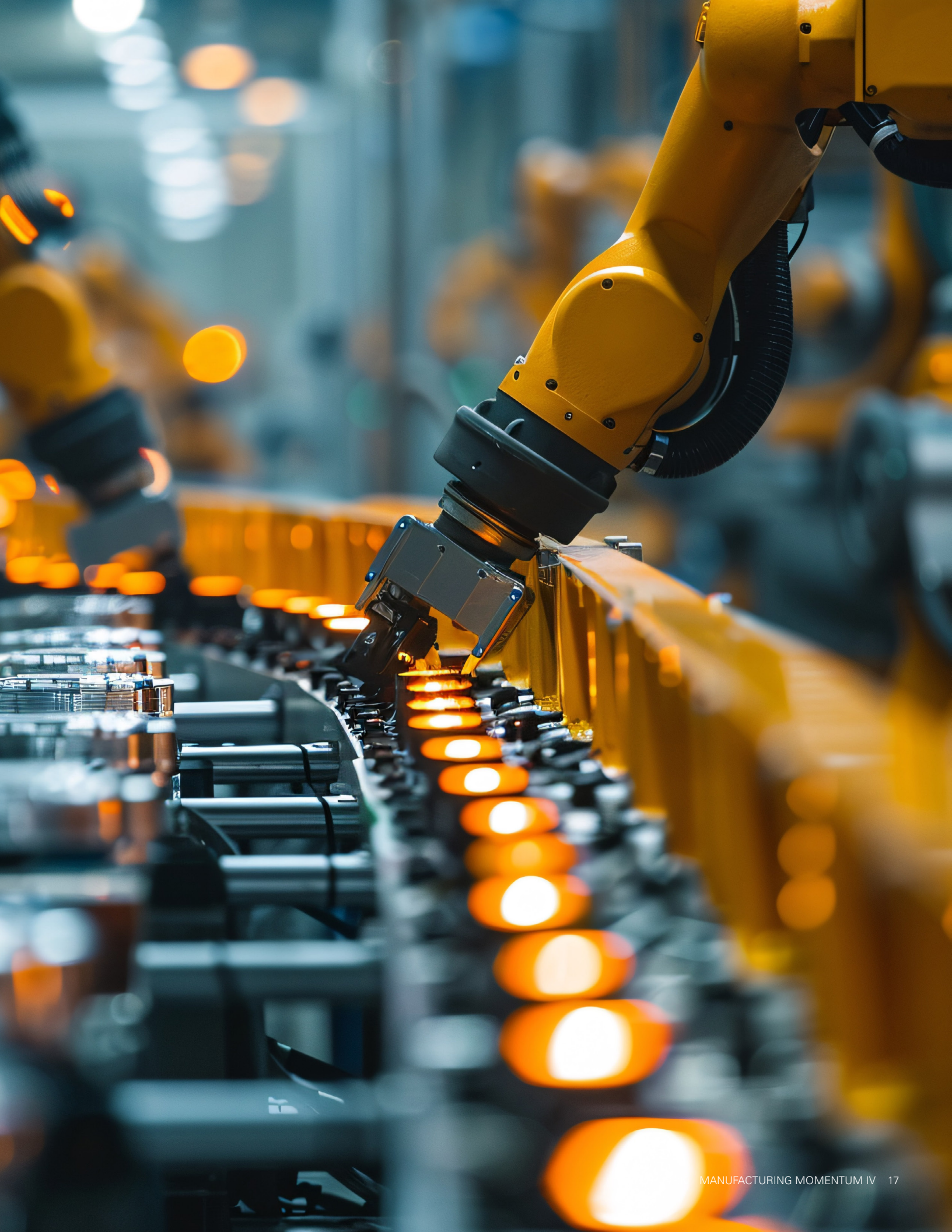
Vulcan Elements entered a $1.4 billion partnership with the U.S. government and ReElement Technologies, with funds allocated through OBBBA. Vulcan leased a 500,000 SF warehouse and will double its size to build a10,000-ton capacity manufacturing facility.

Source: Newmark Research, various press releases.

Outlook – And a Call to Expand the Traditional Industrial Investment Thesis

The need for liquidity is critical across the holistic manufacturing value chain. When assessing the ~10% or nearly $50B in major manufacturing projects that have been cancelled since announced during the last five years, or are in serious question of continuing, the same basic issue reoccurs: financial pressure. Whether from higher interest rates, tariffs, debt/bankruptcy or inability to secure funding, some projects that could have been viable contributing cogs in the reindustrialization machine failed. Financial viability and securing capital are now as critical as other site selection fundamentals such as power and labor, where successful manufacturing hubs provide institutional investors with confidence to leverage balance sheets to ensure the continued built out of ecosystems through proven track records of attracting and keeping investment, and infrastructure to support large capital-intensive projects.

Looking ahead over the next 10 to 20 years, industrial real estate is the foundation of global structural change. As domestic capacity replaces some imports, impacts will cascade through trade flows, infrastructure and logistics networks and employment patterns. In addition, from this maelstrom moment will come yet-unknown technologically driven processes and production, which will require even greater domestic capacity for the advanced materials and goods that power them. To wit: of the ten largest global companies by market cap today, only one – Microsoft – was on the same list 20 years ago. Which firms will be on that list two decades from now? The flip side is that, as seen in 2025 announcement data, a smaller group of companies could be responsible for ever-larger manufacturing investments to secure global competitiveness, which places more emphasis on supporting the build-out for upstream and downstream suppliers and applications tied to those major projects and markets, making them proportionally safer bets for industrial stakeholders. As evidenced by those successful markets driving U.S. demand in 2025, the domain of industrial net absorption is no longer only typical logistics product, inviting industrial investors to expand their investment thesis to capture a greater range of value from America's continuing reindustrialization.



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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/insights

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