

U.S. Manufacturing Renaissance



Research

United States
2025

jll.com





Executive summary

This report leverages two unique datasets and JLL's comprehensive market intelligence across the U.S. to provide a thorough outlook on manufacturing growth and future industrial demand. Based on JLL's tracking of announcements following the Inflation Reduction Act (IRA) and CHIPS and Science Act (CHIPS) this report offers unique insights into the impact of new manufacturing across U.S. industries and regions. Additionally, this report draws on JLL's extensive local market intelligence on future industrial requirements, providing an outlook on tenant behavior, including location preferences, industry-specific activity drivers and the impact of external economic factors on demand. **To date JLL is tracking over 500 post-IRA manufacturing announcements that cover a vast array of industries across the U.S.**

Reshoring and regionalization are reshaping global logistics, driven by automotive electrification, pandemic-related supply chain disruptions, and geopolitical uncertainties. Recent legislation, such as the CHIPS and Science Act and the Inflation Reduction Act, has catalyzed significant investments in U.S. manufacturing, creating jobs and expanding supplier networks. These two legislative announcements have resulted in a combined total of **over 131,000 jobs and \$387 billion in investment in the U.S.**

Source: JLL Research

JLL's Industrial Tenant Demand Study revealed an uptick in **manufacturing facilities' contribution to future industrial requirements, projecting close to 19% share in total demand and marking a 354% increase since 2018. We predict Manufacturing related demand to reach 25% of total U.S. industrial demand by 2028.** This increase can be attributed to various factors, including reshoring initiatives, the need for supply chain resilience, and advancements. **Competition for suitable land and power resources has intensified as manufacturers and their suppliers seek locations for build-to-suit facilities.** This trend has impacted the Warehouse and Distribution sector and increased demand for logistics and manufacturing space.

Over 52% of the manufacturing inventory in the U.S. is between 30 and 60 years old. While the U.S. manufacturing landscape is dominated by aging facilities, **there is demand for modernized facilities capable of supporting advanced manufacturing processes and meeting sustainability requirements.**

Legislative funding, technological complexity, rising construction, labor costs and specific infrastructure needs for power and water have significant impacts on manufacturing growth as well as future venture

capital funding. Rivian in Georgia is an example of a project that has faced delays due to funding issues. In Arizona, suppliers like LCY Chemical, Solvay, and others have postponed plans due to high construction and labor costs and infrastructure challenges.

Advanced manufacturers face **future challenges related to high-voltage power needs, skilled labor shortages, and environmental sustainability. However, opportunities exist in adopting emerging technologies, expanding into international markets, and implementing sustainable practices to gain competitive advantages.**



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What to expect in the next chapter for manufacturing

Source: JLL Research





The top trends driving U.S. manufacturing's evolution



Tariffs and trade uncertainty: The incoming administration has been clear on their strategies to strengthen U.S. manufacturing with protectionist policies. While controversial, tariffs will likely increase demand for domestic manufacturing. Currently, JLL is monitoring 124 million s.f. of active manufacturing space requirements across the U.S., reflecting this potential shift in the manufacturing landscape.



Geopolitical risks and supply chain resilience: The "China + 1" strategy now dominates supply chain risk mitigation, with foreign companies prioritizing the U.S. and North America as their primary markets outside China. Ongoing conflicts in Europe and the Middle East are disrupting supply chains, while tensions between Taiwan and China, alongside reshoring efforts, are shifting manufacturing from China to North America.



Site selection, power and labor challenges: Labor shortages persist, requiring strategic site selection. Competition for land and power has increased as manufacturers seek build-to-suit facilities. Demand for electricity remains high, with manufacturers competing against data centers for power-rich locations.



Automation will enable increased growth: The U.S. is behind other advanced economies with automation adoption. To offset increased costs of domestic production, automation will be a key complement on the production floor to increase productivity.



Aging of manufacturing assets: The manufacturing sector in U.S. is experiencing increasing demand, yet the average manufacturing facility is over half a century old. This aging infrastructure highlights a pressing need for modernized production facilities to meet current market requirements.



Growing industries: The automotive industry, led by EVs and autonomous tech, spurred economic growth recently. Now, aerospace, defense, AI, and clean energy sectors are also seeing major expansion.



While we are still in the first inning of this manufacturing renaissance, site selection trends are shifting

	2020-2024		2025 and Beyond
 Growth industries	Semiconductor, Clean Energy, Battery & EV	▶	All energy, AI hardware (semiconductor), Aerospace and Defense Geopolitical tensions
 Site preference	Brownfield	▶	Greenfield Most viable brownfield sites have been taken. Refurbishment of existing brownfields are often more expensive than greenfield.
 Power upgrades	Two years or less	▶	Greater than two years (four to eight years in some locations over 10MW) Power is a national problem and increased demand across multiple industries (inc. Data Centers) has constrained capacity.
 Labor	Low-cost geographies with sufficient labor	▶	Prioritize community, quality-of-life aspects for recruiting and retention of high-quality talent Talent shortages are forever problems and heightened competition in low-cost geographies erodes initial cost savings.
 Incentives	Pursue state, local, and federal to receive anything available	▶	Incentives will never make a bad location a good one Stringent restrictions with federal incentives and limited desirable states and counties mean the offerings may not align with operational strategies.

Source: JLL Research

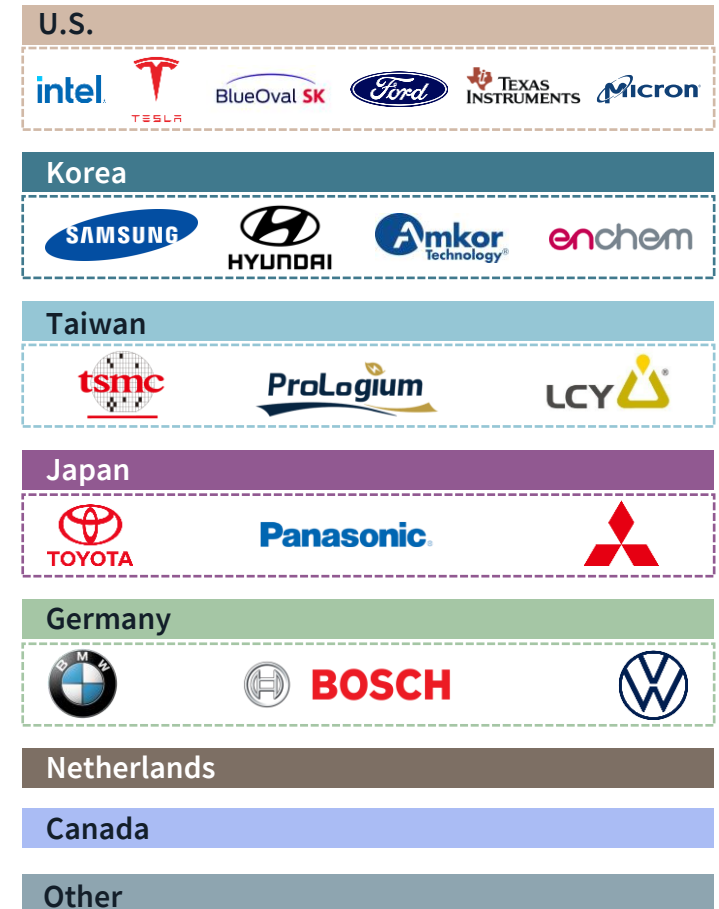
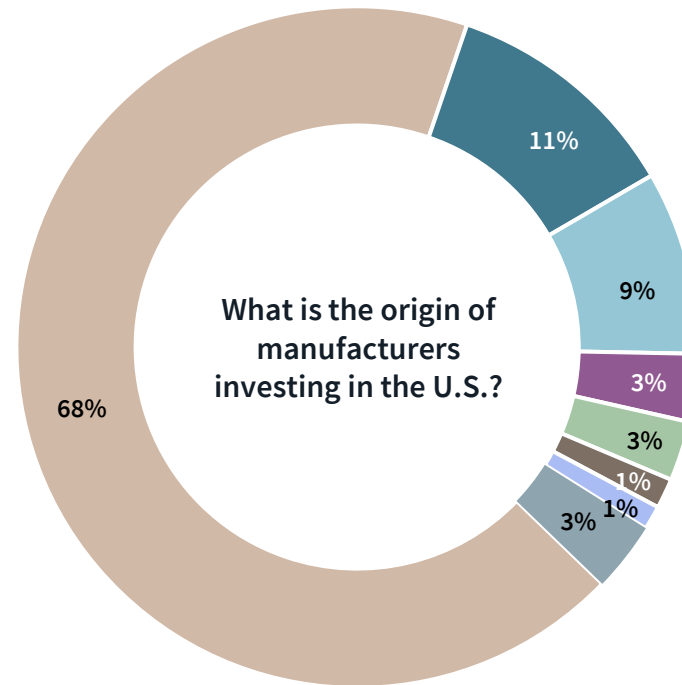


Global giants: Korea, Taiwan and Germany amplify U.S. manufacturing with major investments



To navigate geopolitical change and ensure business continuity, leaders are developing resilient supply chains, building geopolitical expertise, expanding into growth markets, implementing smart nearshoring strategies, and investing in regional differentiation. These actions involve diversifying suppliers, enhancing decision-making processes, prioritizing high-growth regions, relocating production closer to home markets, and adopting customized approaches for different regions.

Note: Percentages based on projected investment size
Source: JLL Research





Manufacturing construction spending shows massive increase over the past four years



While manufacturing construction spending has seen a massive increase over the last few years, it is starting to stabilize. **This is most likely due to the completion of major projects, higher interest rates, market saturation, and economic shifts.** A focus on upgrading existing facilities, supply chain improvements, policy changes, and demand normalization also contributed to overall spending leveling off. In general, this suggests a move towards more sustainable investment levels in manufacturing facilities.



Source: JLL Research, U.S. Census Bureau



Manufacturing's impact on real estate

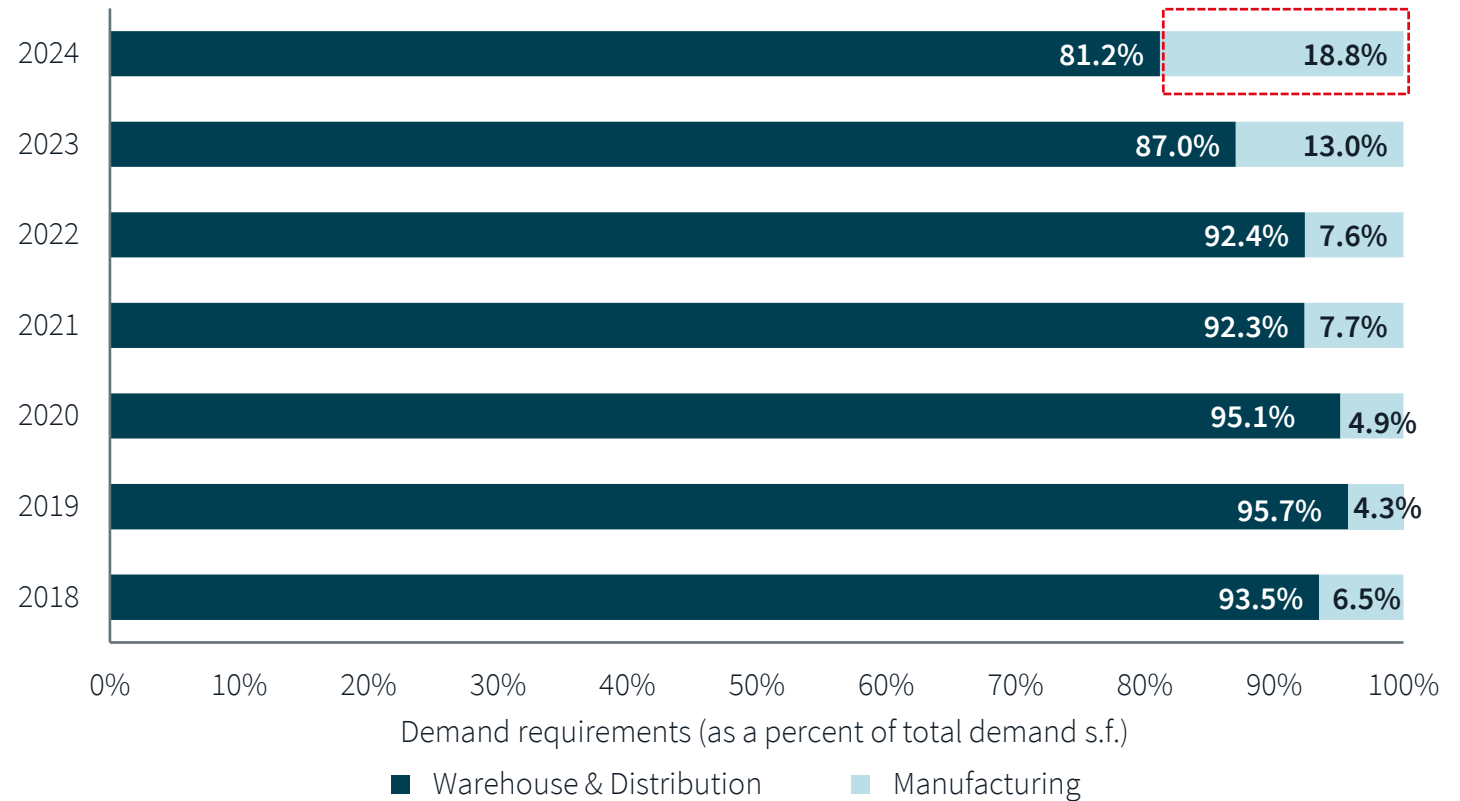


Manufacturing related demand to reach 25% of U.S. Industrial demand by 2028



Based on **JLL's active tenants in the market data**, we project future manufacturing requirements to account for close to 19% share of the total, marking a 354% increase since 2018. This trend is particularly evident in major markets like Chicago, Dallas-Fort Worth, and Phoenix. **Key growth drivers include land availability, power, labor, and advanced manufacturing integration.**

The Manufacturing resurgence has come from a variety of industries, but primary growth industries include Battery & Electric Vehicles, clean energy and Semiconductors.



Source: JLL Research, 2024-2025 Industrial Tenant Demand Study



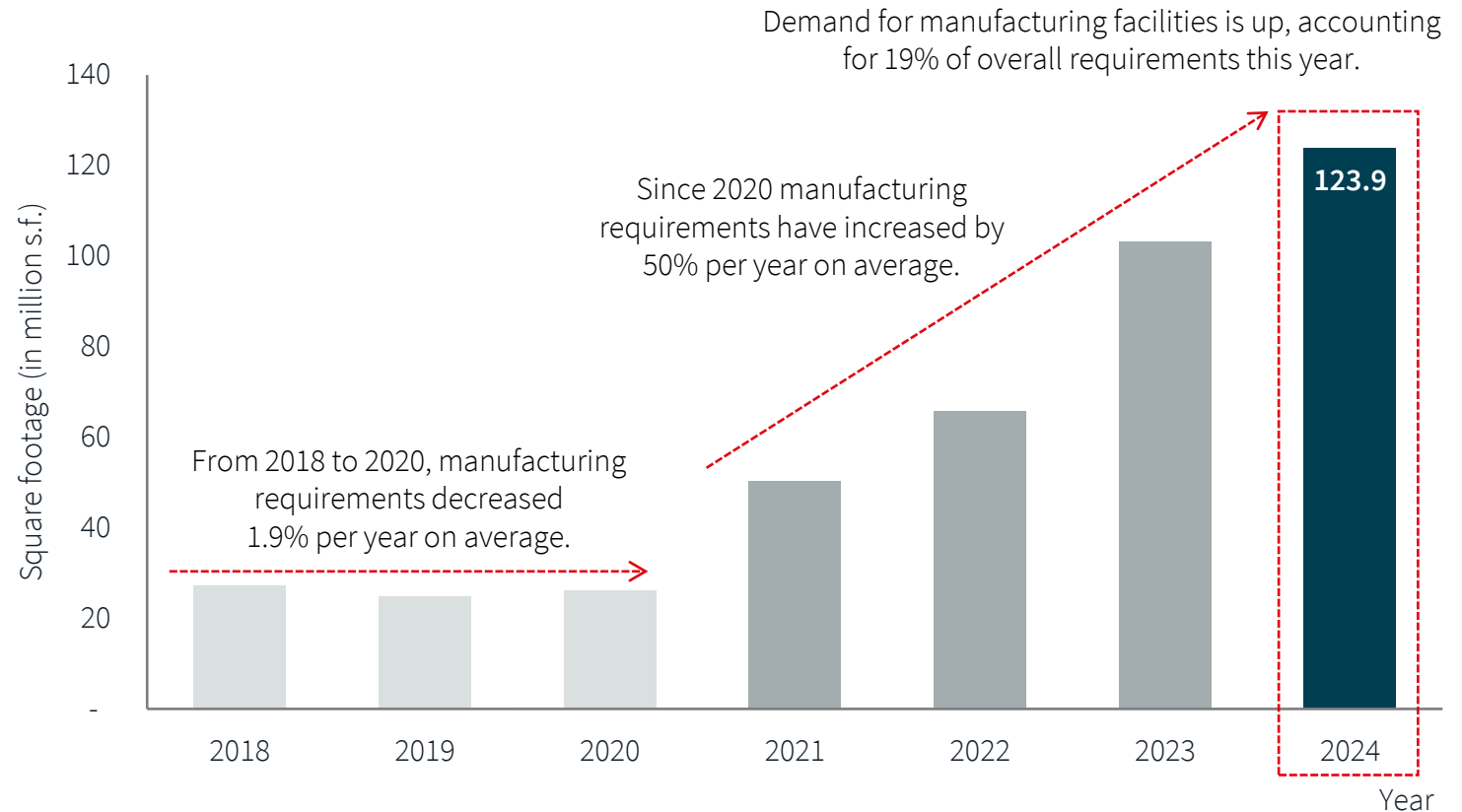
Manufacturing real estate requirements have increased by an average of 50% year-over-year since 2020



Demand for **manufacturing facilities has seen a significant uptick. JLL's Industrial Tenant Demand Study** found that **manufacturing now represents 19% of overall future industrial requirements.** The rise in demand can be attributed to various factors, including reshoring initiatives, the need for supply chain resilience, and advancements in manufacturing technologies. As companies seek to optimize their production processes and bring operations closer to end markets, the demand for modern, technologically advanced manufacturing spaces is likely to continue its upward trajectory.

Note: JLL's Industrial Tenant Demand Study is a survey of demand requirements across over 60+ JLL markets across the U.S.

Source: JLL Research, 2024-2025 Industrial Tenant Demand Study

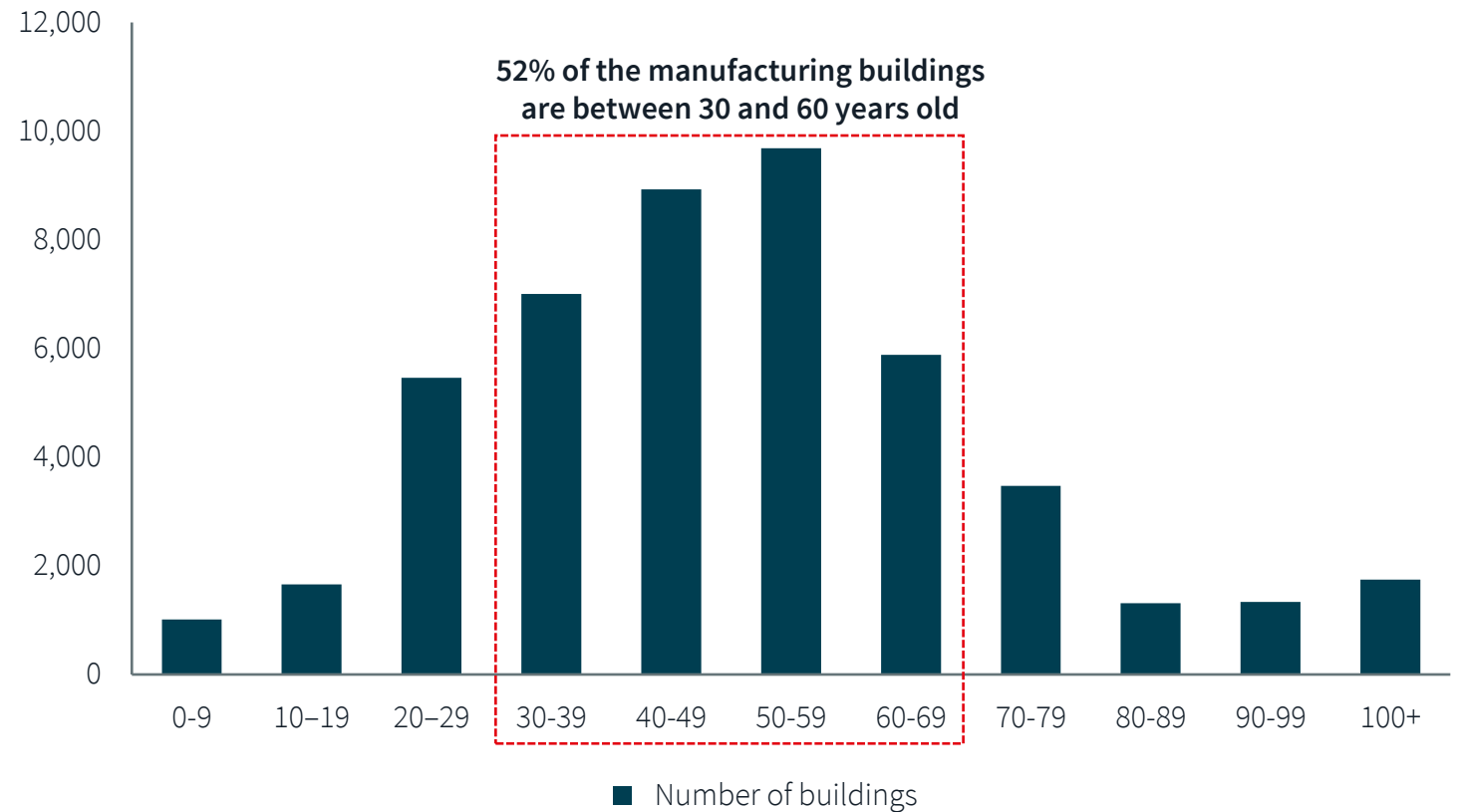




Obsolete manufacturing buildings hint at a need for more modernized infrastructure



Despite growing demand in the manufacturing sector, **the average age of existing manufacturing facilities in the U.S. is 51 years**. Modern facilities are crucial for localized manufacturing, efficient distribution, and resilient inventory management. Progressive markets like Savannah and Phoenix are leading in new facility development, while cities such as Chicago, Detroit, Los Angeles, and New Jersey have significant older inventory. **Markets with older inventory will increasingly require updated facilities capable of integrating advanced technologies to enhance productivity, efficiency, and adaptability as the current inventory ages.**



Source: JLL Research

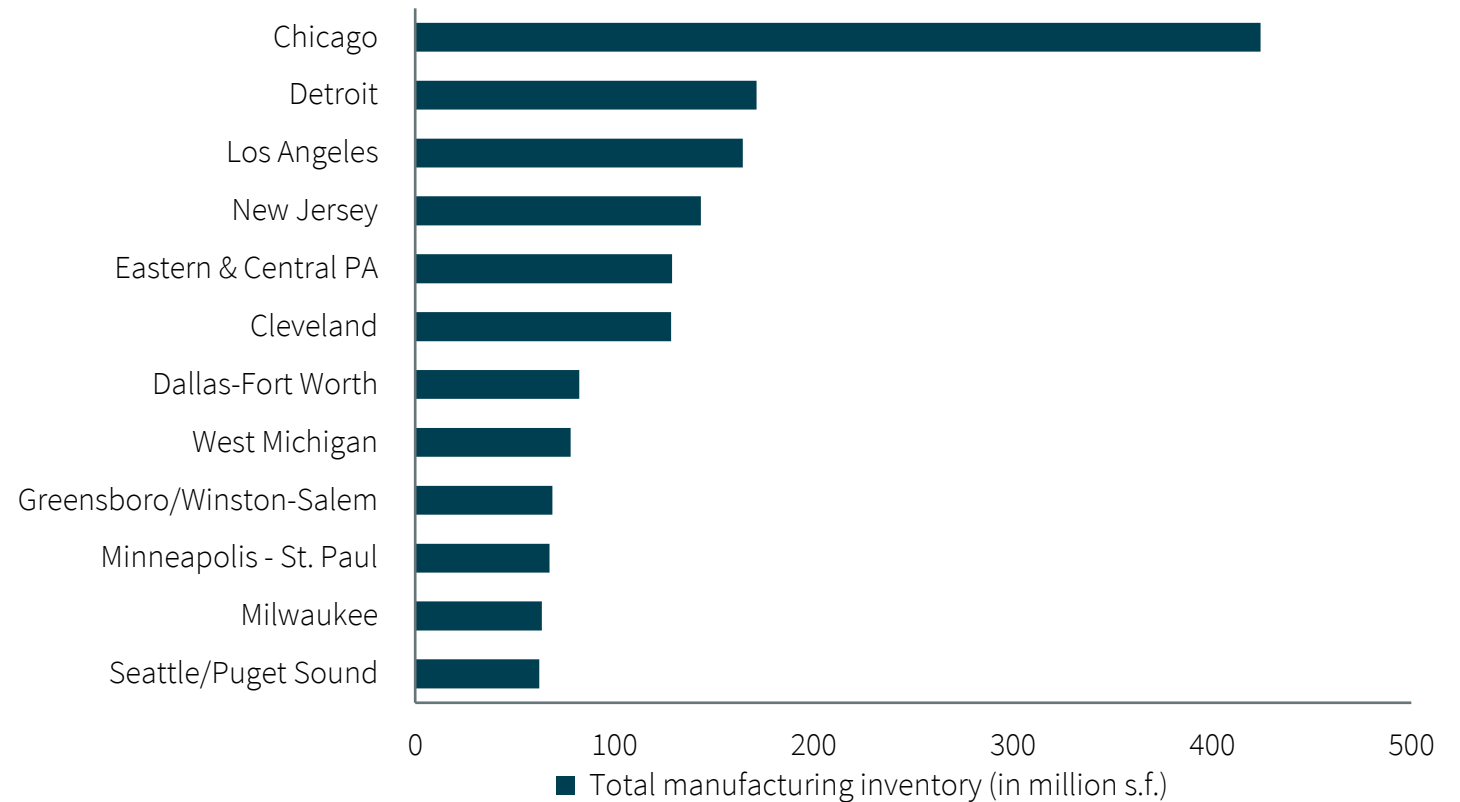


Markets with manufacturing buildings 30+ years old



As manufacturing evolves, cities with aging industrial infrastructure face a critical need for modernization. **Outdated facilities will increasingly require significant updates to integrate advanced technologies, enhancing productivity, efficiency, and adaptability. This transformation is essential to meet the demands of modern manufacturing processes, improve energy efficiency, and maintain competitiveness in a rapidly changing industrial landscape.**

Cities that proactively address this need for updated facilities will be better positioned to attract and retain manufacturing businesses, fostering economic growth and technological innovation in their industrial sectors.



Source: JLL Research



The manufacturing challenges: land, power, and labor

1

Suitable land with limited real estate availability

Manufacturers need substantial land for operations and expansion. The gold rush for brownfield sites from 2020 to 2023 leaves functionally obsolete options that are usually more costly to rehabilitate than to develop a greenfield property. With limited brownfield options, they're exploring greenfield sites.



2

Strained grid: power and utility access challenges

While the focus on the green revolution will likely subside, demand for electricity will not – especially as manufacturers compete with data centers for sites with access to heavy power. Access to robust, cost-effective power and utility infrastructure is important to manufacturers and can impact their competitiveness and bottom line.



3

Skilled labor in a tight labor market

Labor shortages are not going away. Manufacturers need to be strategic about their site selections to avoid savings erosion from recruiting and retention packages amid heightened competition. As manufacturing becomes more advanced and sophisticated, a robust skilled workforce is essential for operating complex systems and equipment.



Source: JLL Research

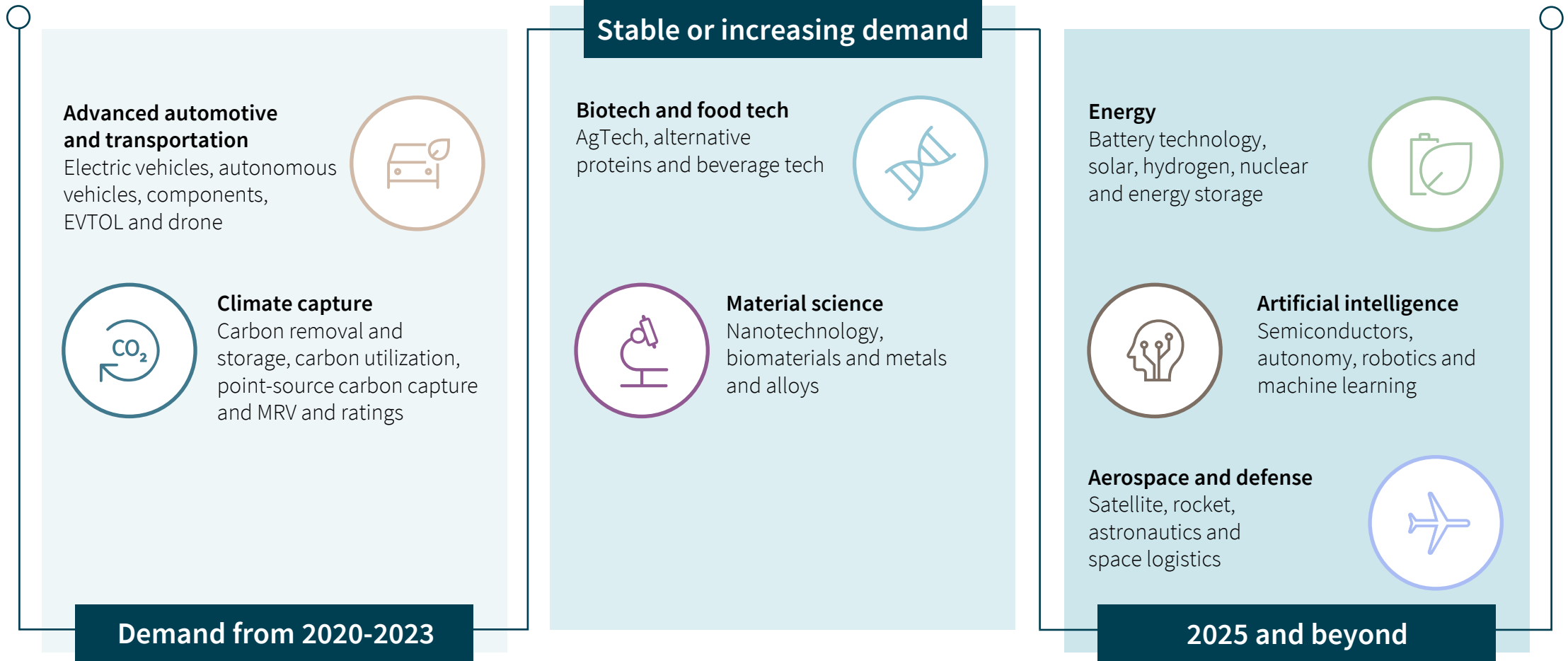


Manufacturing industries at a glance





Active industries



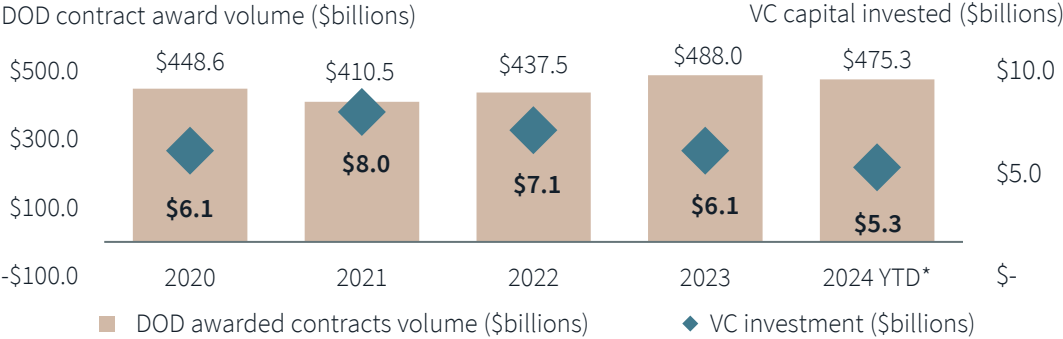
Source: JLL Research



Aviation and Defense

The aviation and defense manufacturing industry, led by giants like Boeing and Lockheed Martin, remains vital despite challenges. **Government-influenced and innovation-driven, it's expanding into areas like space exploration and cybersecurity.** Recent federal funding shifts favor MSAs with strong labor capabilities, such as Dallas-Fort Worth, over traditional hubs. Despite VC funding slowdowns, **the industry continues to see record growth in contracting, underscoring its strategic importance and economic impact globally.**

Investment in Aerospace and Defense 2020-2024 YTD



\$5.4B

Total capital invested in the U.S.

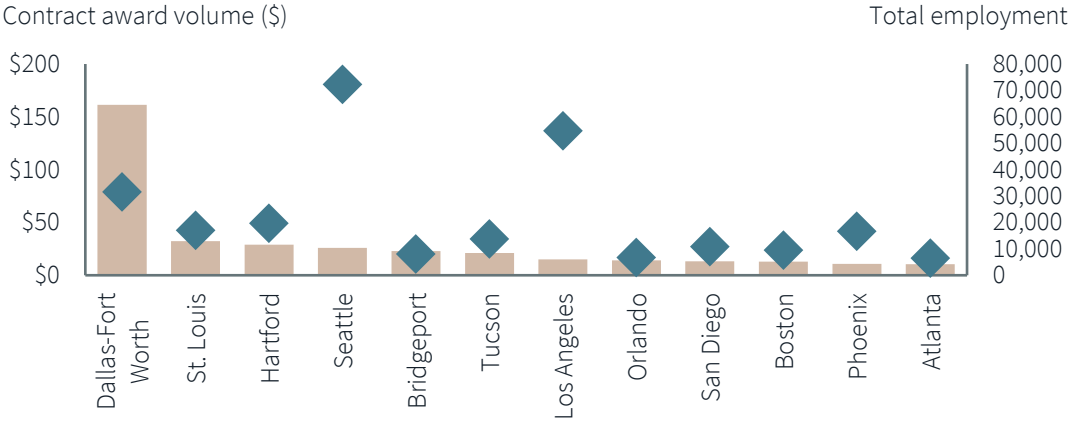
20,861

Jobs created in the U.S.

Note: Capital invested and jobs created are from JLL’s proprietary database of Manufacturing announcements post IRA and CHIPS and Science Act. DOD total funding amounts based on aggregate of the top 50 cities to receive funding; NAICS Code: 3364/33641

Source: JLL Research, Bloomberg Government, Lightcast

DOD funded Aerospace Manufacturing volume and employment



5

Major manufacturing announcements

	Company	State	Capital invested
1	Airbus	AL	\$1B
2	Anduril	OH	\$1B
3	Joby Aviation	OH	\$500M
4	Boom Supersonic	NC	\$500M
5	Terran Orbital	FL	\$300M

Battery and Electric Vehicles

The battery and EV industries are driving significant manufacturing growth in the U.S., attracted by strong labor markets, robust infrastructure, and supportive federal and state policies including the Inflation Reduction Act. This surge is reshaping the industrial landscape as companies invest in high-tech plants with advanced robotics and automation, favoring regions with skilled workforces, reliable power grids, advantageous incentive packages, and efficient logistics. The complex supply chains for EVs are also spurring the development of specialized manufacturing clusters, including suppliers of critical components. Simultaneously, the environmental focus of these industry is pushing advancements in sustainable practices, including energy-efficient production methods, and the use of renewable energy within the facilities.

Major manufacturing announcements	State	Capital invested
Tesla Gigafactory	TX	\$10.0B
Tesla Gigafactory	NV	\$9.8B
Hyundai	GA	\$7.6B
ExxonMobil	TX	\$7.0B
Toyota	NC	\$6.9B

\$197B

Total capital invested in the U.S.

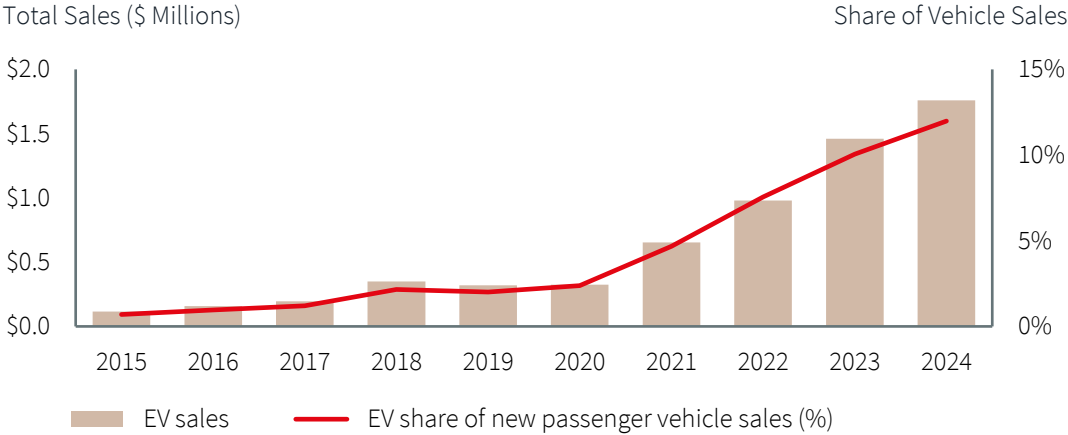
256,796

Jobs created in the U.S.

Note: Capital invested and jobs created are from JLL’s proprietary database of Manufacturing announcements post IRA and CHIPS and Science Act

Source: JLL Research, BloombergNEF

Electric Vehicle sales in the U.S.



5

Growth
markets with
job creations

State	Jobs created
1 Georgia	39,626
2 Texas	36,744
3 California	29,210
4 South Carolina	24,435
5 Arizona	17,830

Clean Energy

The clean energy industry is experiencing rapid growth, driven by climate and energy security concerns, government incentives (namely, the Inflation Reduction Act), and decreasing costs. **Developers are adopting sustainable practices, such as using timber in warehouse construction and installing rooftop solar panels. Supply chain participants are forming partnerships with sustainable suppliers and embracing low-carbon transportation.** While initial investments in sustainable practices may be required, long-term benefits include reduced energy consumption and operational costs. This trend reflects the growing integration of clean energy solutions across sectors, highlighting sustainability's increasing importance in business and infrastructure development.

Major manufacturing announcements	State	Capital invested
Qcell	GA	\$2.5B
Maxeon	NM	\$2.4B
Vikram Solar	CO	\$1.2B
First Solar	AL	\$1.1B
Enel/3Sun	OK	\$1.0B

\$26.5B

Total capital invested in the U.S.

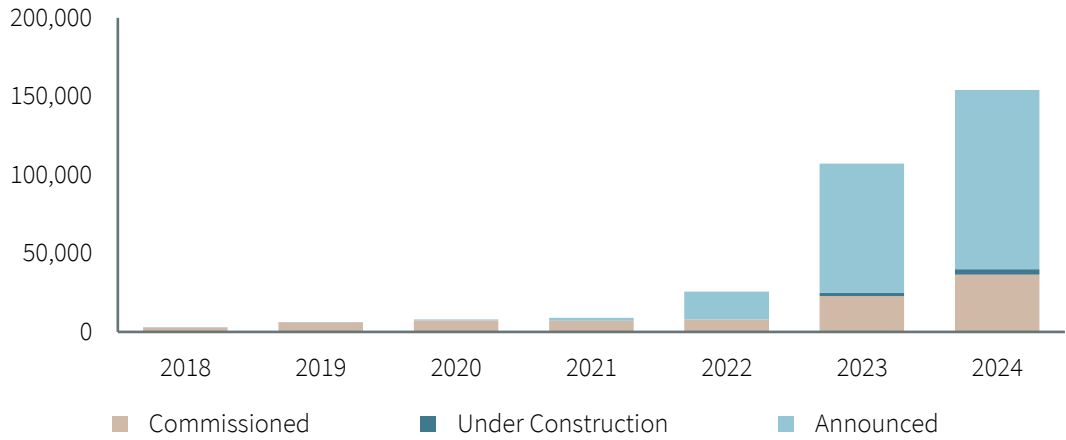
40,046

Jobs created in the U.S.

Note: Capital invested and jobs created are from JLL’s proprietary database of Manufacturing announcements post IRA and CHIPS and Science Act

Source: JLL Research, BloombergNEF

Solar PV Manufacturing Plants in the U.S., by capacity (MW/year)

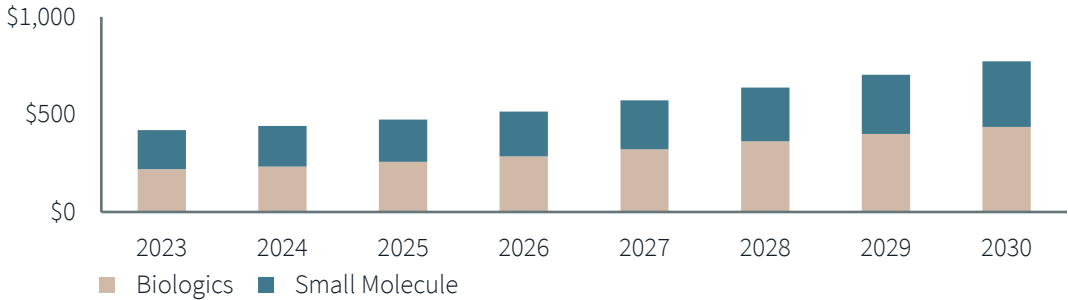


5 Growth markets with job creations	State	Jobs created
	1 Georgia	12,640
	2 Texas	4,890
	3 New Mexico	3,600
	4 South Carolina	2,700
	5 Colorado	2,400

Life Sciences

The life sciences industry has grown in the past decade as technological leaps have led to the emergence of new modalities and treatments. **The technological advancements have driven large R&D investments in drug discovery and led to the downstream of manufacturing capacity needs as therapies and medical devices make their way through the clinical trial stages.. While many larger life sciences and medtech companies conduct manufacturing in-house, others outsource to Contract Manufacturing Organizations (CMOs).** All facilities require large clear heights, significant FFEs and heavy power; and are heavily regulated by the FDA to ensure the safety.

Life sciences worldwide revenues and forecast, billions



\$15.7B

Total capital invested in the U.S.

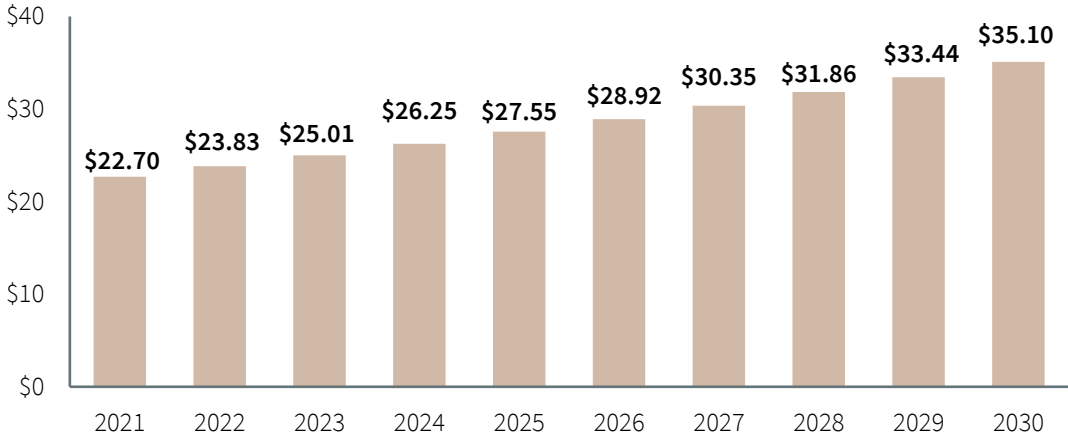
3,065

Jobs created in the U.S.

Note: Capital invested and jobs created are from JLL’s proprietary database of Manufacturing announcements post IRA and CHIPS and Science Act

Source: JLL Research, Evaluate, BioSpace, Pitchbook

U.S. clinical trials market size (revenue) in billions



5	Major manufacturing announcements		
	Company	State	Capital invested
	1 Eli Lilly	IN	\$4.5B
	2 Fujifilm	NC	\$2.0B
	3 Agilent Technologies	CO	\$725M
	4 BeiGene	NJ	\$700M
	5 Maxter Healthcare	TX	\$500M

Semiconductors

Semiconductors are essential in a vast array of devices, from smartphones and computers to automobiles and industrial equipment. **The semiconductor industry has experienced dramatic accelerated growth over the past decade, driven by surging demand for AI and CHIPS Act incentives. The combination of technological needs and policy support has catalyzed the expansion in high-performance semiconductor production and domestic manufacturing capabilities.** Looking ahead, the industry's outlook remains positive, buoyed by emerging technologies; however, challenges persist, including supply chain disruptions, geopolitical tensions, and the need for substantial investments in research and development. As the world becomes increasingly digitized, semiconductors are poised to play a crucial role in shaping technological progress and economic growth.

Major manufacturing announcements	State	Capital invested
Intel	U.S.	\$100B
Micron Technology	NY	\$100B
TSMC	AZ	\$65B
Intel Corporation (Expansion)	OR	\$52B
Samsung	TX	\$45B

\$543B

Total capital invested in the U.S.

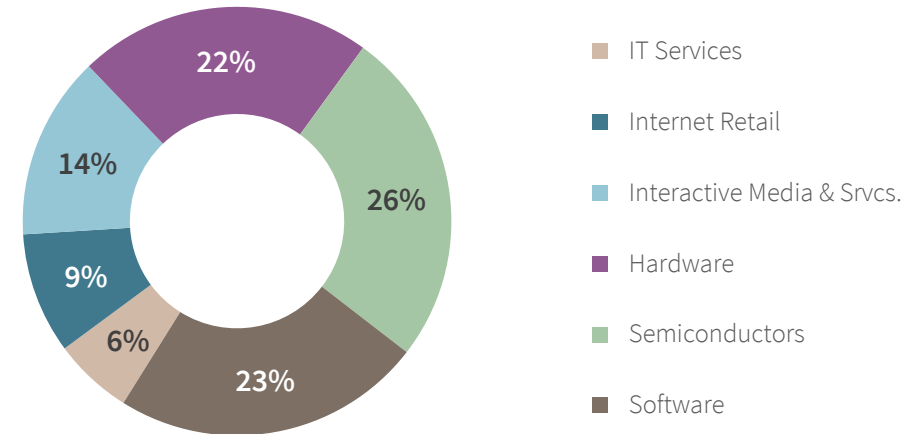
38,734

Jobs created in the U.S.

Note: Capital invested and jobs created are from JLL's proprietary database of Manufacturing announcements post IRA and CHIPS and Science Act. Global technology industry segment chart based on market cap greater than \$250,000 as of 4/9/2024

Source: JLL Research, S&P Capital IQ, Market Capitalization greater than \$250,000 as of 4/9/2024

Global technology industry segmentation



5

Growth markets with job creations

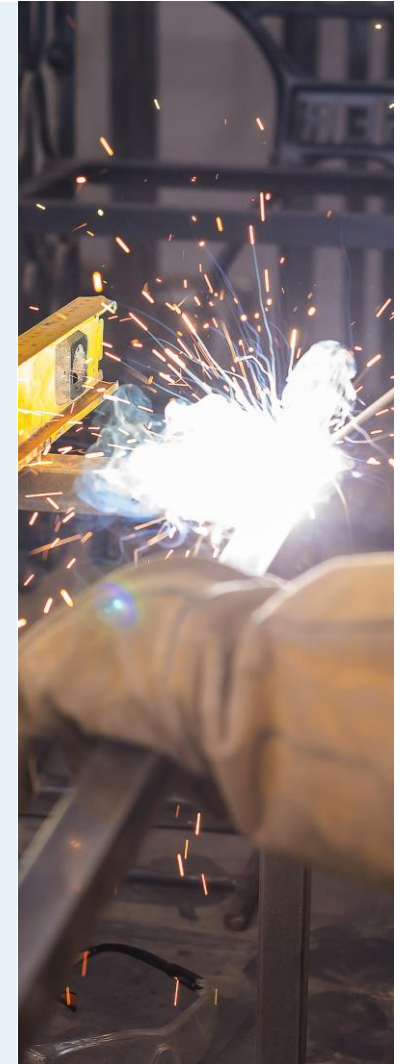
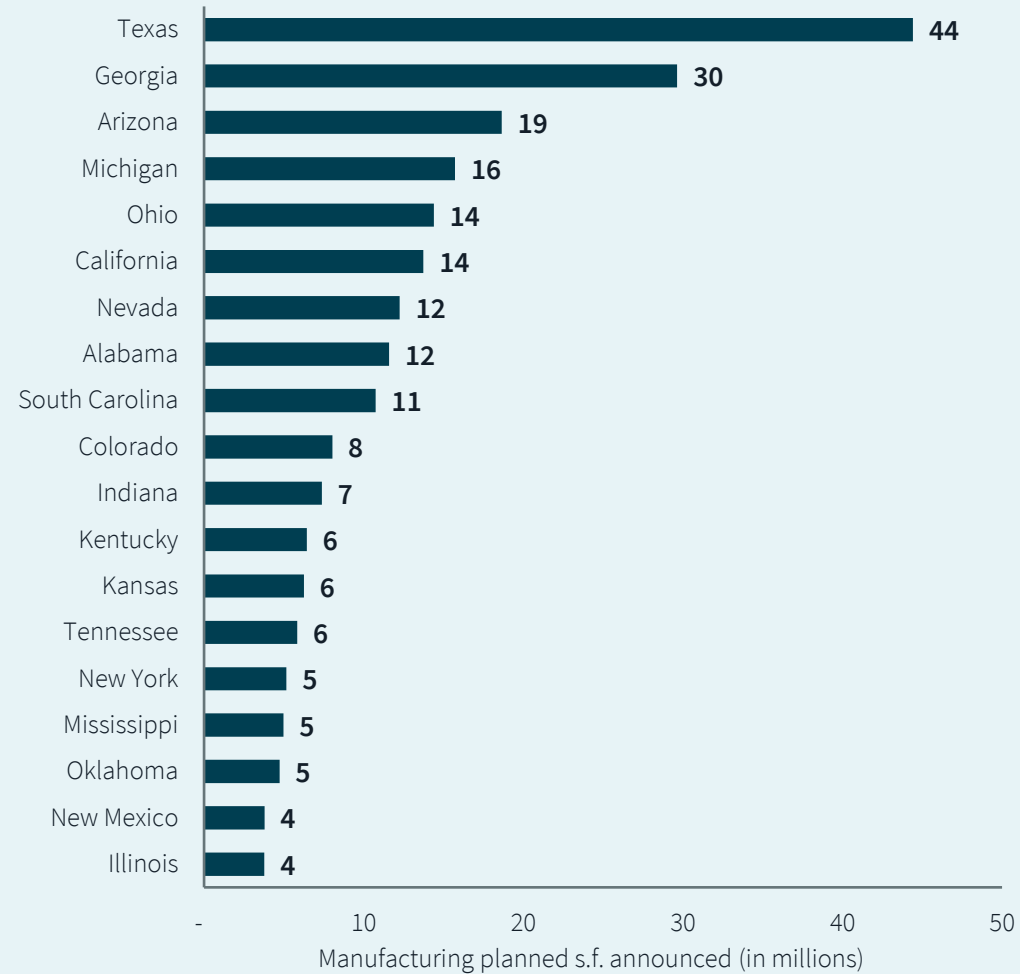
State	Jobs created
1 Arizona	11,970
2 Texas	8,050
3 Ohio	3,000
4 California	2,780
5 Idaho	2,000



Manufacturing hotspots



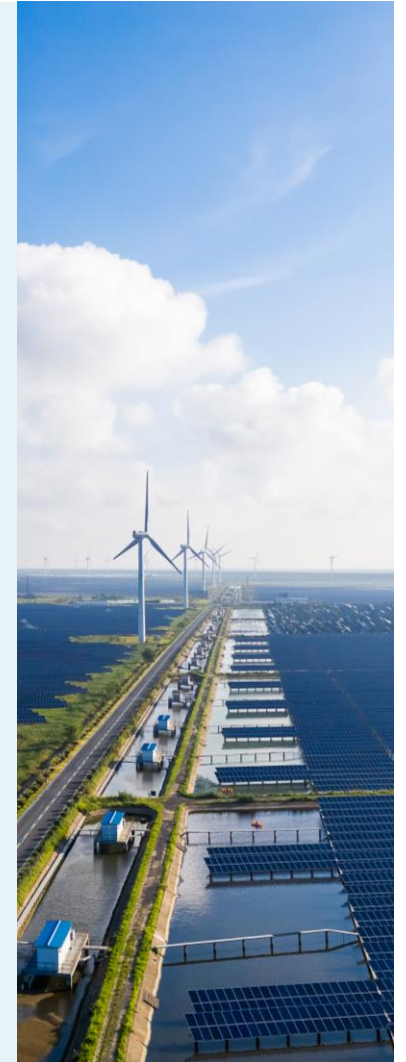
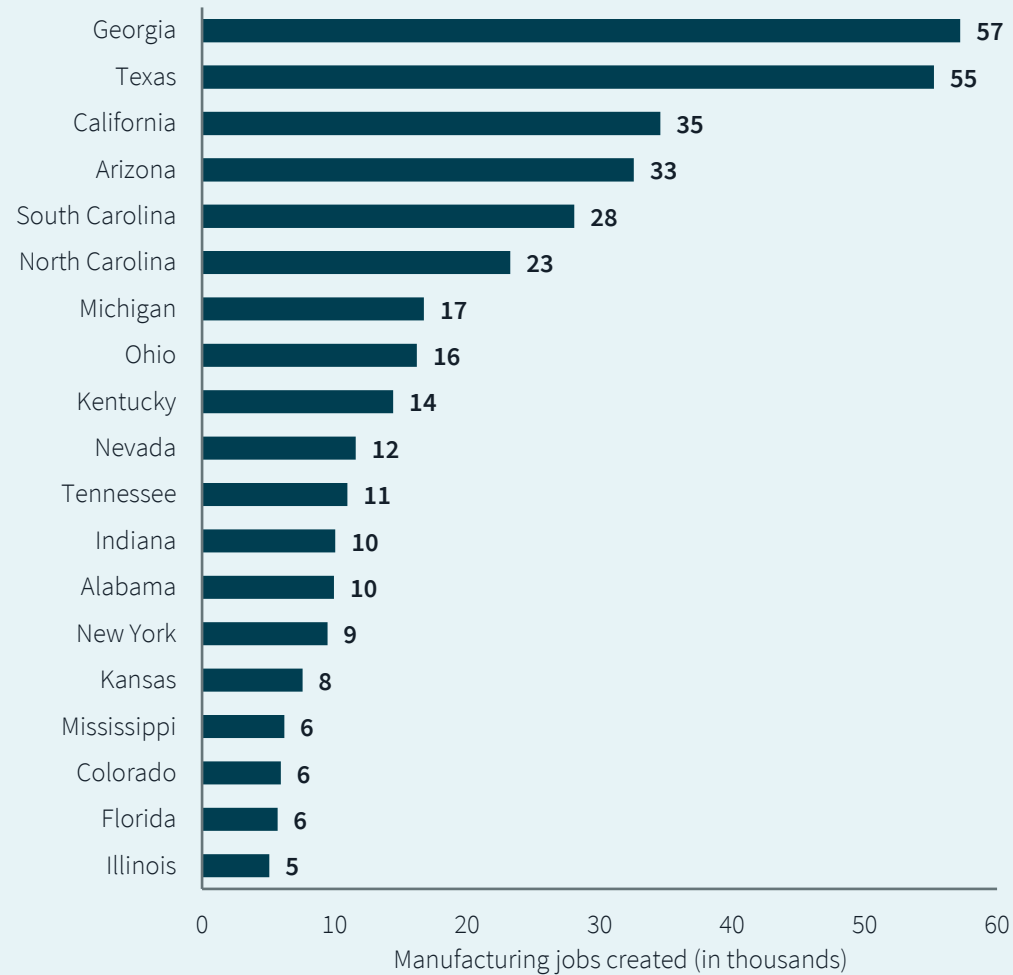
States
leading the
manufacturing
space race
based on recent
announcements
in the U.S.



Source: JLL Research, JLL Manufacturing Database



State-by-state powerhouses: manufacturing's job creation from recent announcements



Source: JLL Research, JLL Manufacturing Database



Charting the outlook and future of manufacturing

Outlook for manufacturers includes growth and challenges

1

Manufacturers face **persistent disruptions amid rising transportation costs, higher costs for raw materials and labor, as well as supply chain inefficiencies**. Lack of supply chain transparency and material scarcity are persistent and evolving.

2

Greater focus on **artificial intelligence (AI) and integrating it into some operations**. In order to fully leverage, organizations will need to prioritize the rationalization of their data, all while increasing focus on cybersecurity and data privacy.

3

Manufacturers are **increasingly adopting technological solutions and innovations to address operational challenges**. Effective use of data can optimize operations, reduce risks, and support informed business decisions.

4

Manufacturers face challenges in **attracting skilled workers**, emphasizing competitive pay, retention, and growth programs. Increased competition in hot/low-cost markets can erode wage savings, demanding a strategic balance between cost savings and talent attraction.

Source: JLL Research, Manufacturing Drive



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Research at JLL

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