

17.7%

Increase in jobs within the transportation equipment industry since 2020

723,000

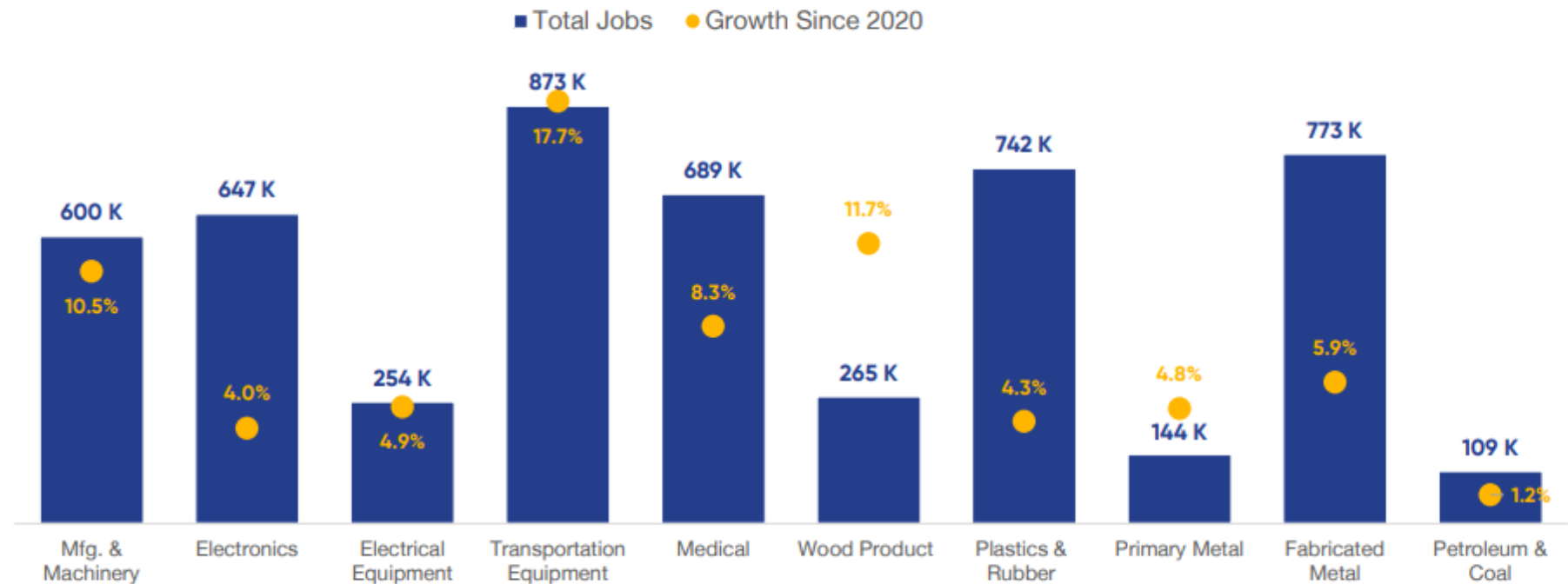
Total jobs added in the top 10 advanced manufacturing industries since 2010

Technological advancements, including automation, robotics, and smart manufacturing are spurring job creation, particularly in automotive, aerospace, and electronics sectors. **Shifting production back to the U.S. to reduce supply chain vulnerabilities** have also aided hiring skilled manufacturing jobs. Government initiatives such as the Chips Act and the Inflation Reduction Act are prompting companies to heavily invest advanced manufacturing sectors, which is expected to place additional emphasis on skilled labor roles.

Labor

Advanced Manufacturing Employment Expands

Employment for Top 10 Advanced Manufacturing Industries



Advanced Manufacturing Trends Impacting Commercial Real Estate

1. Increased Demand for Specialized Facilities:

Advanced manufacturing requires facilities equipped to handle high-tech machinery, robotics, and other cutting-edge equipment. As a result, demand is growing for buildings with enhanced electrical power, cooling systems, reinforced floors and high ceilings to accommodate large or sensitive equipment.

2. Proximity to Urban Areas:

To streamline production and reduce lead times, advanced manufacturers seek industrial spaces closer to urban centers and major transportation hubs. This trend is driving a shift from traditional large-scale, remote industrial parks to smaller, flexible facilities located within or near cities.

3. Growth in R&D and Hybrid Spaces:

Advanced manufacturing often includes research and development (R&D) components, blending production, testing and office functions. This hybrid approach is increasing the demand for flexible industrial properties that can integrate R&D labs, offices, and production spaces under one roof.

4. Emphasis on Sustainability and Smart Facilities:

Manufacturers are focusing on sustainability, leading to demand for green buildings with energy-efficient systems, renewable energy capabilities, and environmentally friendly designs. Smart factories incorporating IoT, AI and data-driven management also require facilities equipped with modern connectivity and automation infrastructure.

5. Reconfiguration of Supply Chains:

The trend toward reshoring and localizing production to increase supply chain resilience is driving demand for new industrial spaces domestically. Manufacturers want locations that support just-in-time production, easy access to raw materials, and efficient distribution networks.

These shifts are reshaping the industrial real estate sector, prompting developers and investors to adapt to these advanced manufacturing needs.

