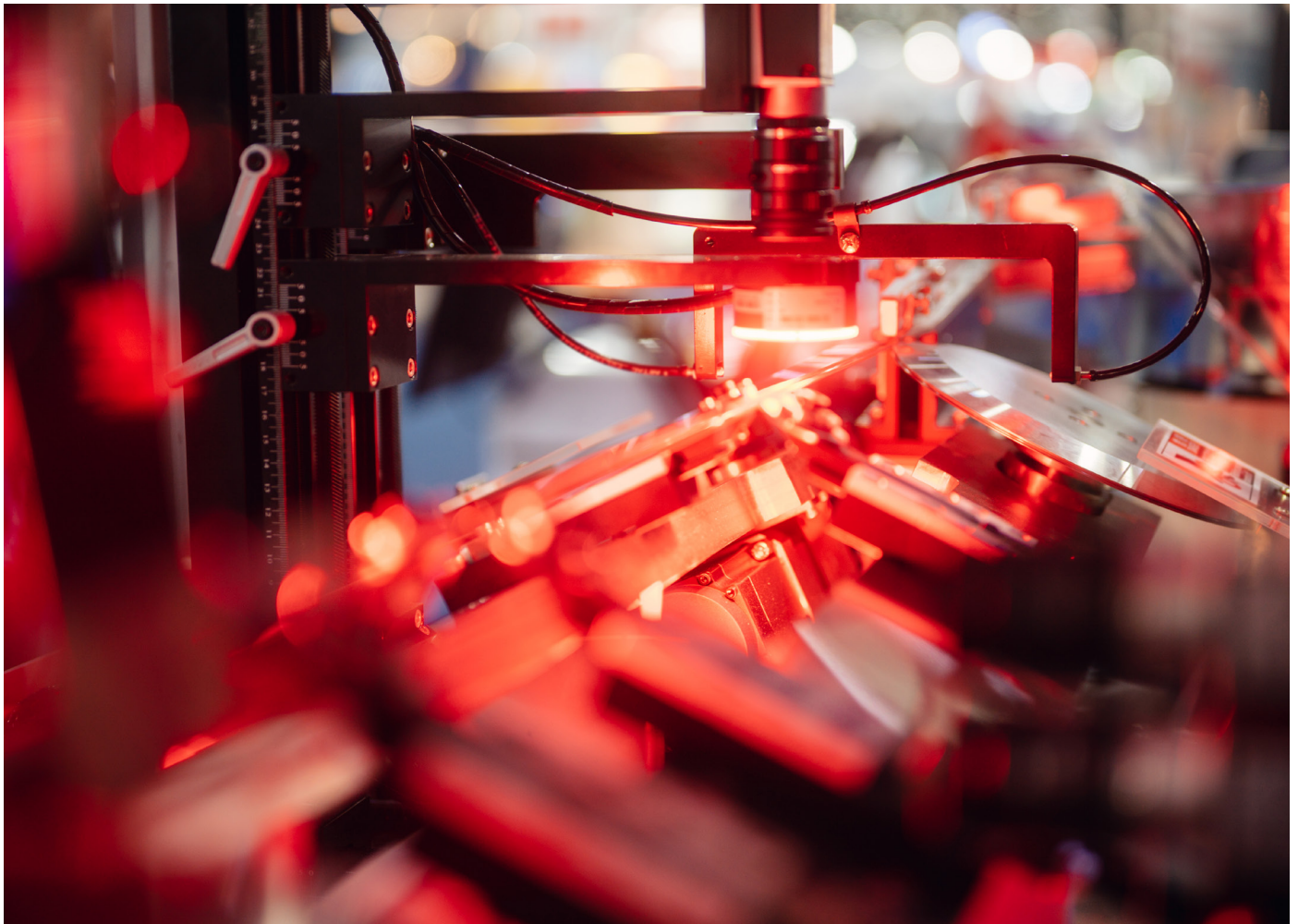


Perspectives

The Next Wave of Industrial Demand Is Taking Shape

A potential \$1 trillion U.S. manufacturing buildout could bring new companies and new sources of demand to industrial real estate.

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A new chapter in U.S. manufacturing is beginning to reshape industrial real estate. Hines Research estimates that U.S. manufacturing construction spending could total roughly \$1 trillion from 2026 through 2030, potentially making this one of the largest industrial buildouts in modern history.

For private wealth investors, the significance extends beyond the headline number. Manufacturing investment is bringing a new generation of businesses into the industrial market, creating additional sources of tenant demand alongside the traditional companies that have historically occupied warehouses and manufacturing facilities. If that demand proves durable, it could support occupancy and rental income potential over a long investment horizon.

New Companies Doing New Things

Two forces are now supporting U.S. industrial demand.

The first is cyclical: traditional users, including goods manufacturers, retailers, and e-commerce companies, are returning to the market. The second is structural. Advanced manufacturing and digital infrastructure are creating an entirely new class of industrial tenants—businesses that in many cases had little or no presence in the market only a few years ago.

Hines calls them “**New Companies Doing New Things.**”

This growing base includes businesses supporting data centers through logistics, infrastructure, and construction, as well as firms expanding advanced manufacturing activities beyond traditional industrial uses. Hines estimates that 10%–30% of recent leasing activity in our industrial spaces has come from this emerging occupier profile.¹

The result is a broader base of demand for industrial properties. Parts of the sector that were once driven primarily by the movement and storage of consumer goods are increasingly connected to long-term investment in computing infrastructure, advanced technology, energy systems, and national defense.

For investors, that diversification of demand may be meaningful. Industrial properties capable of serving businesses across multiple expanding industries may benefit from demand less dependent on any single economic driver.

A Manufacturing Revival Built Around Innovation

While wholesale reshoring of global manufacturing has not occurred, investment has increasingly concentrated in higher-value, strategically important industries. Since U.S.-China trade tensions began escalating around 2018, manufacturing construction spending has risen sharply, with advanced manufacturing becoming an important part of the expansion.

Four areas stand out in Hines' research: **defense, data**

centers, semiconductors, and batteries. While distinct, these industries rely on many of the same ingredients—technical labor, power infrastructure, logistics networks, specialized facilities, and sophisticated suppliers.

That overlap can extend the real estate impact beyond a major facility itself. A semiconductor plant, battery factory, or data center can attract suppliers and other businesses that also require nearby industrial space, helping form an ecosystem around the initial investment.

Data centers illustrate the effect. Although they are not manufacturing facilities themselves, they are major customers for batteries, servers, semiconductors, and other advanced components—connecting growth in digital infrastructure to demand across a much broader industrial supply chain.

The Potential \$1 Trillion Buildout

Building on the recent trajectory in manufacturing construction spending, Hines Research estimates that the U.S. could see roughly \$1 trillion in cumulative manufacturing construction by 2030.

Not every dollar of that investment will translate directly into stronger real estate performance. However, the scale of the buildout creates the potential for a significant new source of demand—one that may unfold over years rather than quarters.

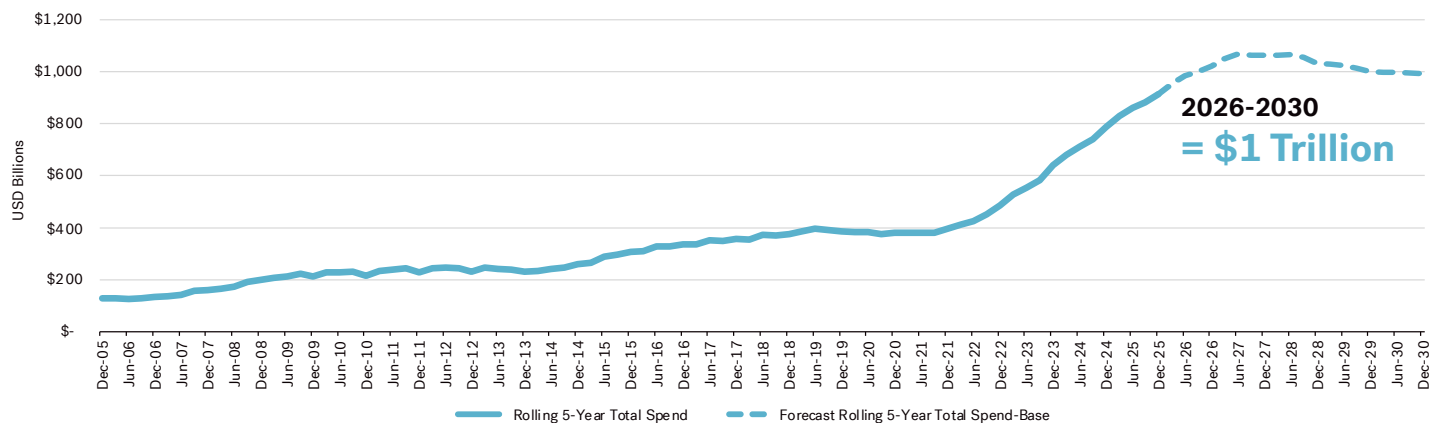
For private wealth investors, that longer horizon is important.

Expanding tenant demand may support occupancy and rental income, while the ability for rents to adjust over time may influence real estate purchasing power through changing economic environments.

The manufacturing revival is ultimately about more than where goods are produced. It is changing the mix of companies using industrial real estate

and creating new connections between physical infrastructure, technology, and domestic production. As that investment continues, these emerging tenant ecosystems could become an increasingly important source of durable demand—and a defining feature of the next phase of the U.S. industrial market.

Figure 1: The Potential \$1 Trillion Buildout
U.S. manufacturing construction spend, rolling five-year total



Source: Federal Reserve of St. Louis, Hines Research. As of 4Q2025. Forecasted results may differ materially from actual results; forecasts are not a guarantee of future performance.

Endnotes

1. CRE Daily, "Data Center Boom Fuels Industrial Leasing Surge," May 12, 2026. Citing CBRE research from the first quarter of 2026, the article reported that companies tied to the data center and technology supply chain represented 27% of signed deals.

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