

MANUFACTURING MOMENTUM ACCELERATES

Manufacturing leasing rises amid a broadening of the demand base

June 2026

VANTAGE POINT

Both domestic and international manufacturing companies have had to rethink supply chain strategies in the wake of the pandemic. As supply shocks persist amid evolving trade policies and geopolitical uncertainty, manufacturers have focused on reducing risk and controlling costs. That shift has driven a surge in leasing activity nationwide as companies rework location strategies and expand distribution networks across the U.S. against a backdrop of shifting trade routes, policy volatility and cost pressures.

MANUFACTURERS EDGE PAST 3PLs IN LEASING TOTALS

Historically, third-party logistics (3PL) firms have been the leading driver of industrial leasing activity, accounting for roughly 30% of the annual total, while retailers and wholesalers typically made up 20%-24%. Since 2024, however, leasing by manufacturing companies has climbed, surpassing retailer and wholesaler demand by 38% with more than 327 million square feet (msf) of transactions through Q1 2026. For the first time in recent history, quarterly deal activity by manufacturers was the highest of any tenant type, narrowly exceeding 3PL activity. Demand was led by consumer goods, automotive/EV, and energy and utilities, with the strongest Q1 activity in the Inland Empire, Dallas, Atlanta and Chicago.

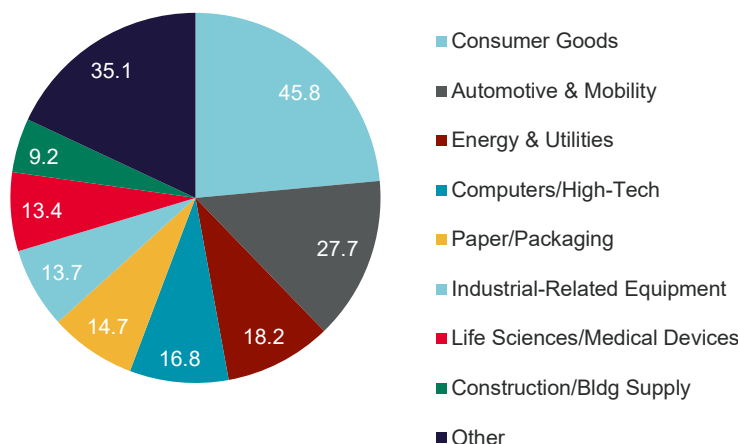
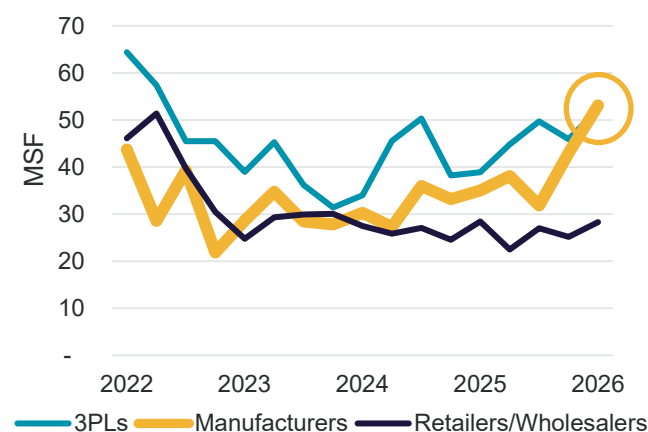
A BROAD MIX OF MANUFACTURING SECTORS FUEL DEAL ACTIVITY

Most of the industrial leasing activity by manufacturers in the U.S. has not been for production facilities. Instead, nearshoring and onshoring have helped drive a surge in logistics demand across many manufacturing sub-sectors as supply chain strategies shift toward greater redundancy and flexibility. Consumer goods companies continued to lead manufacturing leasing, accounting for nearly one-fourth of totals since the start of 2025, as shifting consumer demand and a stronger focus on cost, efficiency and automation propelled demand for new construction.

Automotive/EV, energy and utilities, and computers/high-tech companies collectively leased 63 msf nationwide over the same period, with strong demand pockets in California, Texas, the Midwest and the Southeast. Packaging materials and products, industrial equipment, and construction and building supplies were also active—particularly in the 100,000 to 300,000-sf segment. Meanwhile, emerging manufacturing sub-sectors such as aerospace/defense and data center-related tenants have posted steady gains in demand over the past several years.

Quarterly Industrial Leasing by Key Tenant Type

2025-Q1 2026 Manufacturing Leasing by Sub-type (msf)



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THE IMPACT

WHERE?

Parts, equipment and supply distribution are emerging as a major driver of manufacturing-related leasing, with the strongest activity in the Midwest, Texas and the Southeast as production networks expand and suppliers move closer to end markets.

Consumer goods demand remains the largest source of activity across many regions, but large-format requirements are shifting inland as occupiers regionalize and modernize distribution networks to capture lower costs, business-friendly environments and more competitive energy pricing.

Data center-related industrial demand is becoming a more important source of absorption, particularly in Texas, Phoenix and parts of the Midwest, where power availability, land access and development pipelines are attracting new waves of investment.

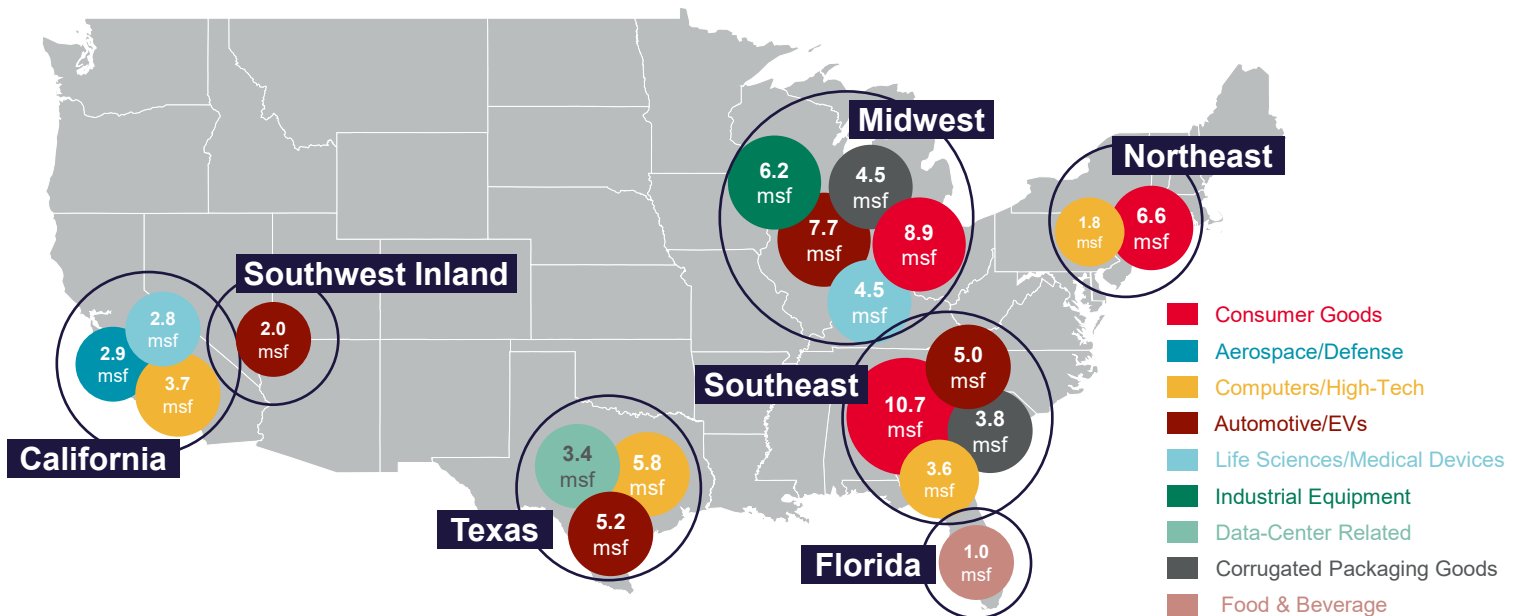
WHY?

While consumer goods companies have historically led manufacturing demand, leasing is becoming more broad-based as nearshoring and onshoring drive growth across a wider mix of sub-sectors, reducing reliance on the traditional 3PL and retail/wholesale-driven demand base.

Ongoing announcements of new manufacturing facilities across the U.S., Mexico and Canada should provide a durable tailwind for U.S. logistics markets, as materials, equipment and components need to be positioned closer to both production clusters and consumers.

Strategic manufacturing sectors tied to supply chain resilience and national security, including semiconductors, pharmaceuticals/medical devices, automotive and aerospace/defense, are seeing stronger investment and occupier demand, supported by federal and state incentives, industrial policy and domestic production priorities.

POCKETS OF MANUFACTURING LEASING BY SUB-TYPE



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