

Manufacturing

Phoenix well-positioned to benefit from manufacturing boom, report says



Image: LG Energy Solution

LG Energy Solution has started vertical construction in 2024 on its planned battery manufacturing campus south of Phoenix in Queen Creek.

LG ENERGY SOLUTION



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Phoenix has the largest manufacturing pipeline in the country out of 100 markets surveyed, according to a [new report from CommercialSearch](#).

This and several other factors has placed the Valley in the top three in the U.S. for regions poised to benefit the most from the resurgence of domestic manufacturing. Dallas-Fort Worth ranked first followed by Chicago for metros that are expected to win from the manufacturing boom.

Manufacturing requirements for ample development space in greenfield locations has placed Phoenix "high on the list" for expanding semiconductors and other industries, the report said. The Valley has a long history with manufacturing and has attracted new investments as a result of its business climate.

[Taiwan Semiconductor Manufacturing Co.](#) and [Intel Corp.](#) are both building multibillion-dollar complexes in the Valley while other projects across food and beverage, battery manufacturing and electric vehicles have also been built in the area in recent years. Just this week, a [New York firm won an auction](#) to acquire more than 2,000 acres around the TSMC factory for a new tech park that could attract even more manufacturing and industrial development.

Metro Phoenix is also No. 1 in the nation for manufacturing growth in the past five years, with 11.4% growth and 6.5 million square feet of new space added. Earlier this year, Phoenix was named [the top growth market](#) out of 15 surveyed for manufacturing by Newmark Group Inc.

The region currently has about 10.5 million square feet of manufacturing under construction and had the largest share of modern manufacturing stock out of its total supply, at about 30%, CommercialSearch found.

Phoenix's existing 64 million square feet of manufacturing space across 3,781 manufacturing establishments makes up about 20% of its overall industrial inventory. For comparison, Chicago has the largest amount of manufacturing supply at 226 million square feet.

Right now, Phoenix has the most industrial space under construction with 42 million square feet in the pipeline, or about 10% of space under construction in the nation, according to a new report from Yardi Matrix. The next highest was Dallas-Forth Worth, which had 23 million square feet underway.