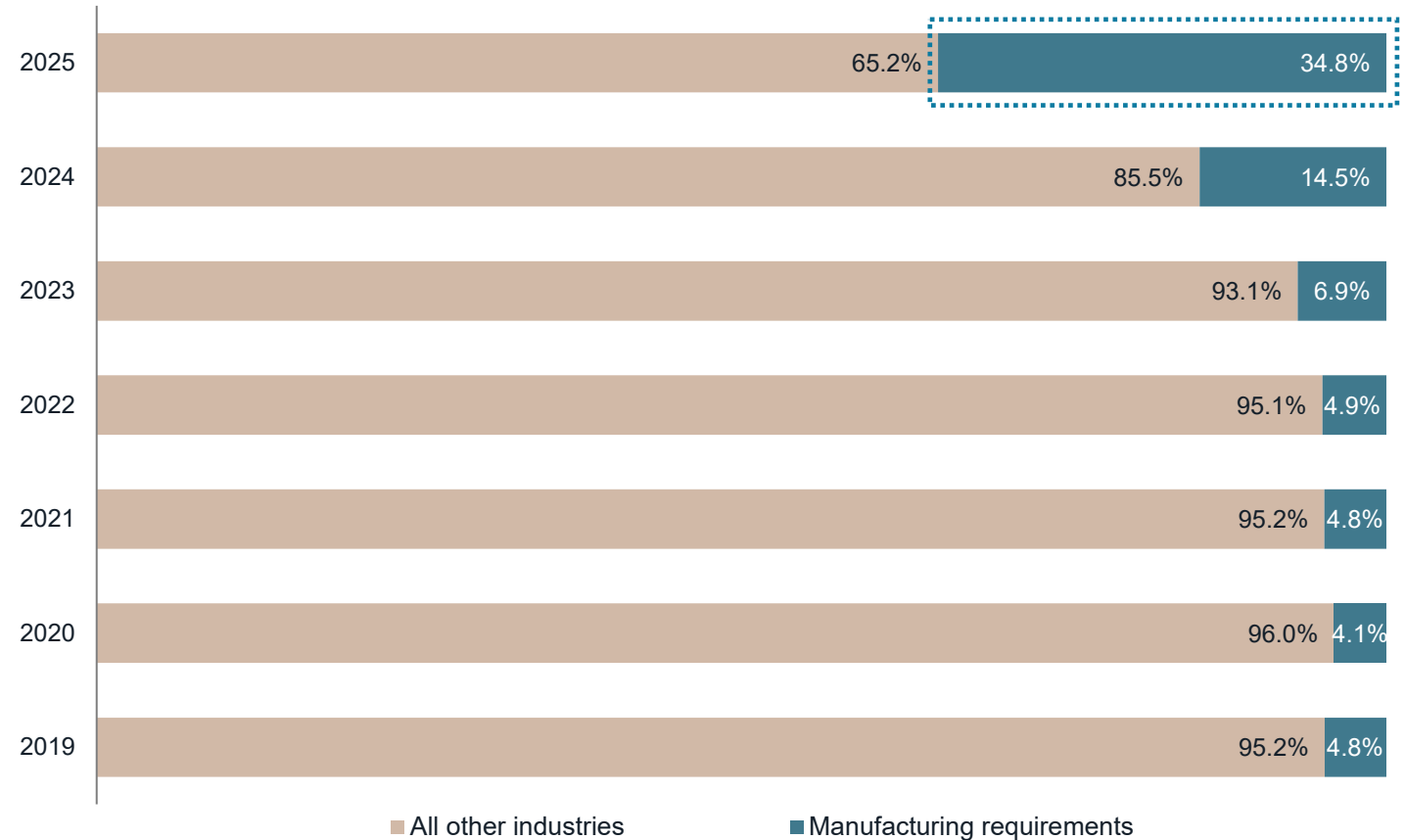


Houston's manufacturing renaissance gears up for the future

- The manufacturing sector's influence on Houston's industrial landscape is significant, and the industry now represents an impressive **34.8% of industrial users looking for space**. Remarkably, manufacturing tenant requirements have **more than doubled year-over-year** and have shown **exponential growth since 2019**.
- **Manufacturing is the largest contributor to Houston's GDP** and stands to gain further ground. Thus far, 2025 has seen significant developments with **NVIDIA and Tesla** joining **Apple** in announcing plans for **new Houston-based manufacturing facilities**. Notably, Apple's AI server factory will be located in the Northwest submarket, while Tesla is expanding its footprint in the West with a Megapack battery storage site.
- Manufacturing tenants are increasingly occupying distribution buildings as **newer inventory is better equipped to meet their evolving needs for greater scale and modern specifications**. This surge in demand, particularly from industries such as **semiconductors, electric vehicles, healthcare and data center components** continues to energize Houston's industrial market. The trend is expected to generate a ripple effect, **triggering demand from related businesses that support these sectors**.
- While current trade policies are reshaping global supply chains and may cause temporary market fluctuations, **the reshoring of high-value, advanced manufacturing industries will be a net positive** to Houston's industrial market.

Manufacturing requirements as percent of total tenants in the market



Source: JLL Research, JLL Industrial Brokerage