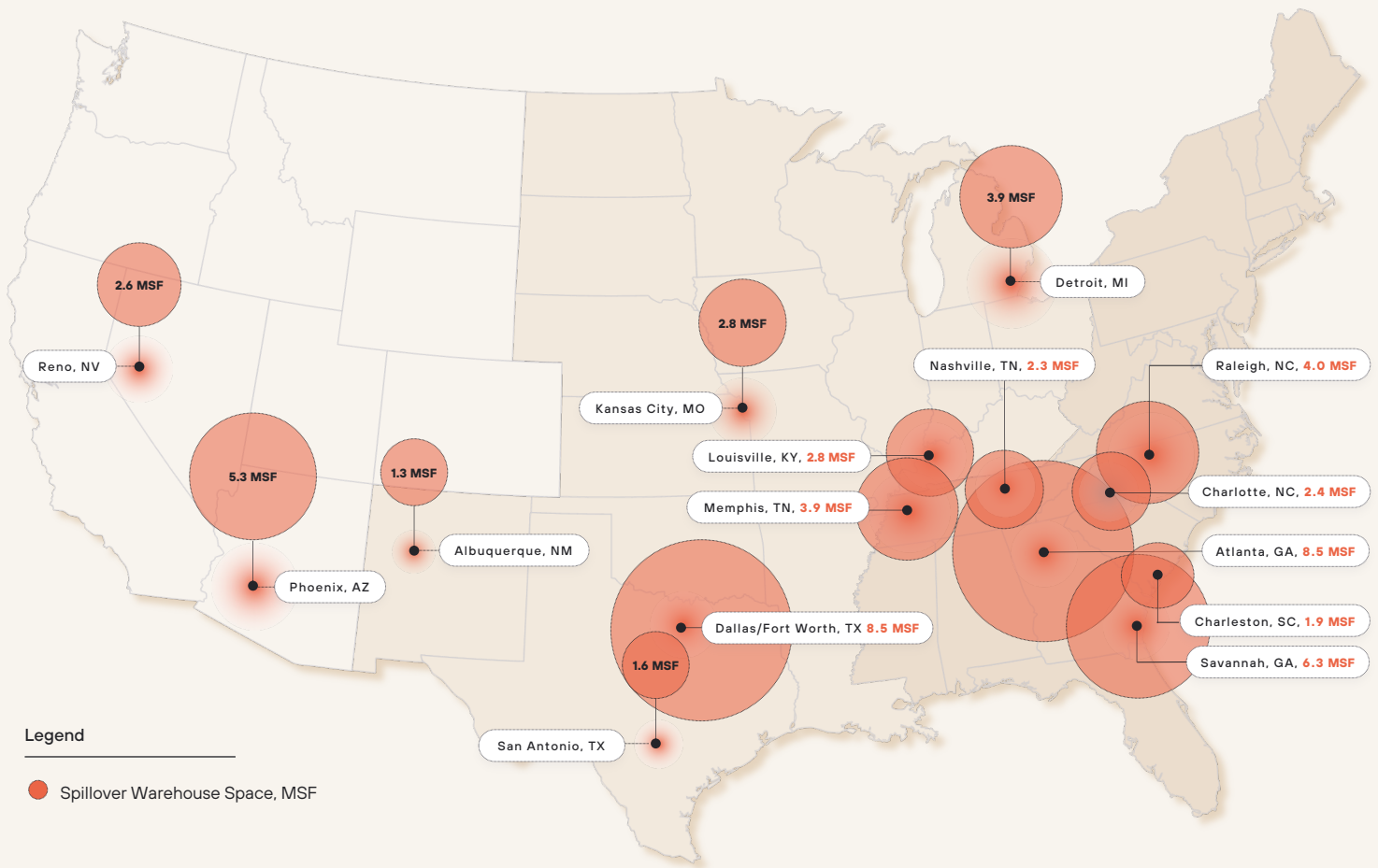


MAY 2024

# PULSE REPORT SERIES

## Research & Analytics

Clean Energy Transition Prompts  
Demand for 84 Million Square  
Feet of Industrial



Legend

● Spillover Warehouse Space, MSF

City	% spillover of stock
Albuquerque, NM	7.8%
Savannah, GA	6.0%
Raleigh, NC	5.4%
Charleston, SC	2.9%
Reno, NV	2.4%
Phoenix, AZ	1.8%
Memphis, TN	1.7%
Louisville, KY	1.6%
Nashville, TN	1.6%
San Antonio, TX	1.5%
Charlotte, NC	1.3%
Detroit, MI	1.2%
Atlanta, GA	1.2%
Kansas City, MO	1.1%
Dallas-Fort Worth, TX	1.0%

The clean energy transition movement is firmly underway. Link Logistics' Research & Analytics department is leveraging proprietary data and in-house methodologies to understand how much extra warehouse space, or spillover, its customers' supplier networks will need to keep up with long-term production timelines.

Think: electric vehicles, batteries (EV and solar), EV charging equipment, solar panels, hydrogen fuel cells, and energy storage and distribution.

### What is the spillover effect?

Let's say a company that makes EVs moves production to a new market. Next, the company must establish an "ecosystem" of support companies and suppliers, sparking the need for more warehouse space. Taking into account current shifts in onshoring and reshoring, Link Logistics estimates that manufacturing and associated supplier networks will ultimately drive demand for approximately 408 million square feet of space, comprised of 324 million square feet of industrial real estate for direct manufacturing and 84 million square feet designated as spillover space for supplier networks.



# \$167B

IN NEW CLEAN ENERGY INVESTMENT

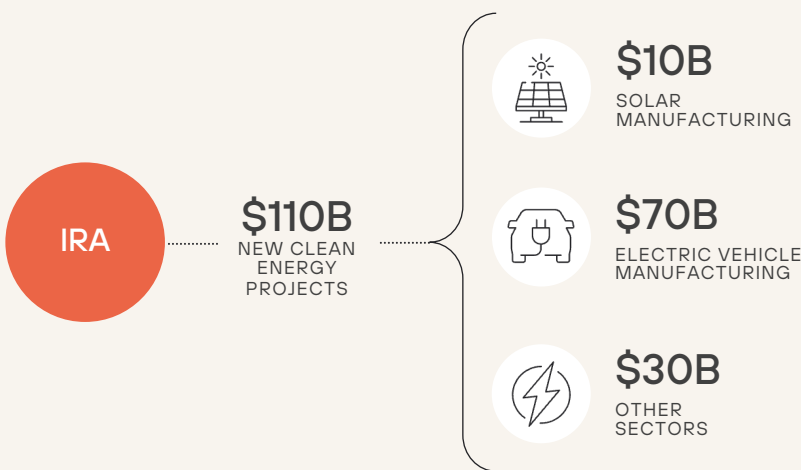
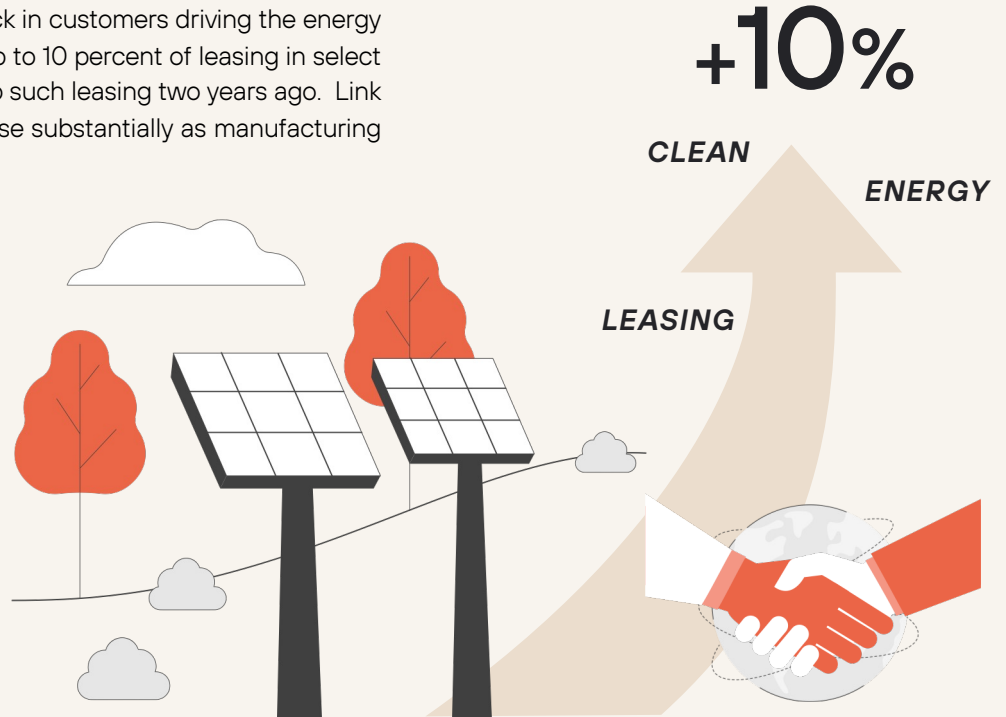


### A clean energy future, by the numbers

As of year-end 2023, Link Logistics has tracked more than \$167 billion in new clean energy projects poised to create 169,000 jobs. Based on the firm's estimates, this equates to 324 million square feet of direct manufacturing space and 84 million square feet of indirect spillover warehouse space. That \$167 billion includes all investment from firms toward building out the functions and processes specific to green energy manufacturing, including land purchases, new factory construction and equipment.

**Link Logistics Green Energy Leasing**

Link Logistics continues to see an uptick in customers driving the energy transition. Clean energy represented up to 10 percent of leasing in select EV-focused markets, up from almost no such leasing two years ago. Link expects green energy leasing to increase substantially as manufacturing clusters expand across the U.S.



**Inflation Reduction Act**

The Inflation Reduction Act (IRA) aims to build domestic supply chains for green energy through an infusion of \$369 billion. Since being signed into law, the IRA has funneled \$110 billion toward new clean energy projects, including \$70 billion for electric vehicles, \$10 billion for solar manufacturing and \$30 billion for other clean energy sectors. This funding will act as a tailwind to bolster operational capacity for manufacturing needs that in turn will require spillover space.

## Focused View: Spillover across the U.S. Battery Belt

As additional clean energy manufacturing projects come online in the Midwest and Southeast, companies will reevaluate not just how they operate, but where. The draw to the Battery Belt remains strong due to proximity to key infrastructure (i.e., ports, rail and major transportation hubs); essential materials; existing manufacturing facilities and suppliers; and skilled workforces.

To learn more, read Link Logistics CEO Luke Petherbridge’s green energy transition thought leadership piece on [LinkedIn](#) and listen to Matthew Rand, Managing Director, Research & Analytics, on S&P Global’s “Energy Evolution” [podcast](#).

