

# CBRE Manufacturing Update

Fall 2013

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## MANUFACTURING IN FLORIDA

There is a widely held belief that U.S. manufacturing has been in a decades-long decline; but the truth is that the nation's industrial and manufacturing sectors have grown steadily throughout history. With recessions as minor blips, the nation's industrial sectors have been expanding since the beginning of data collection on the subject, and most industrial sectors—including manufacturing—hit their all-time peaks just prior to the most recent recession, in 2007.

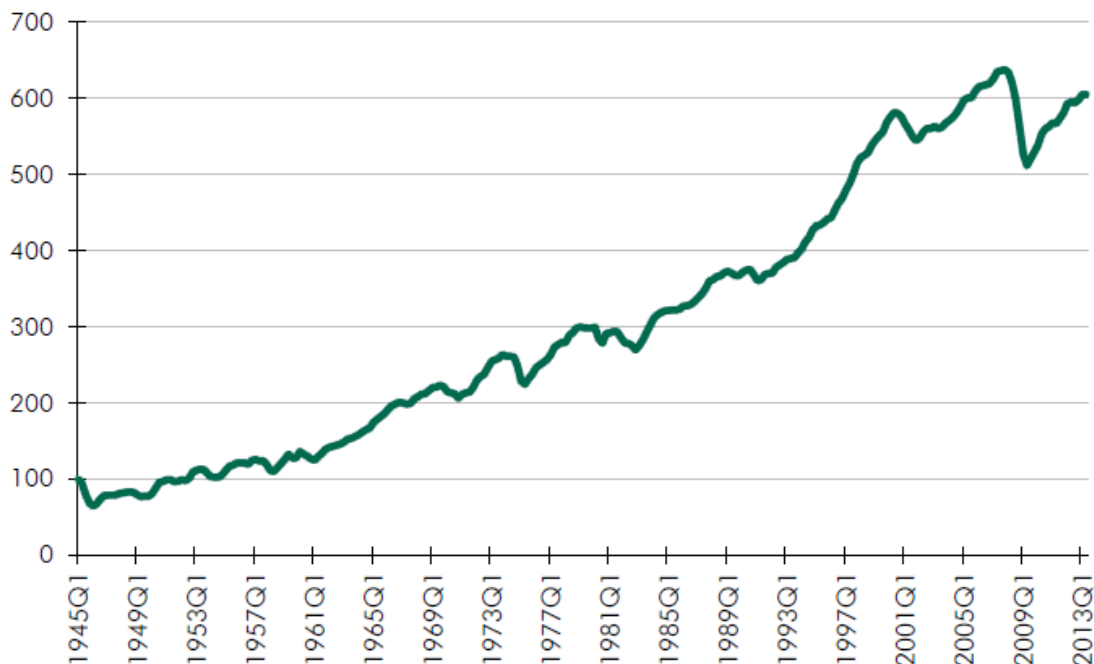
During the early stages of the recovery, growth was rapid in the nation's industrial sector; however, it has slowed recently—even with the economy expanding, as measured by GDP—and now stands just shy of its pre-recession peak.

For real estate, there are essentially two ways by which expanding or relocating factories will have an impact. Manufacturing facilities constitute nearly a quarter of the nation's industrial stock, and those facilities often have warehouses that support them by storing inputs for production and finished goods. Since a local market benefits as it expands its manufacturing base and output, the local economy will grow, ultimately boosting demand for regional warehouse and distribution facilities.

Manufacturing is a vital part of Florida's economy. Thanks in part to its leading business climate, workforce, and trade and transportation infrastructure, Florida ranks among the top ten states for businesses manufacturing a wide range of goods, including aerospace products, batteries, food and beverages, communications equipment, medical devices and supplies, semiconductors, boats, and more.

Figure 1: Nation's Industrial Sector Has Grown Steadily Throughout History

Industrial Production Index, 100=1945 Q1



Source: Federal Reserve

- Florida has 18,099 manufacturers and 317,690 manufacturing employees. (FDEO)
- Manufacturing's multiplier effect: For every \$1.00 spent in manufacturing, another \$1.43-\$1.48 is added to the economy. (TaxWatch/NAM). This is the biggest multiplier effect of all industries in Florida. (TaxWatch)
- Florida is the fourth largest manufacturing state in the U.S. in terms of establishments and the 12th largest in terms of employment. (FDEO)
- 81.1% of Florida's exports are manufactured goods (U.S. Department of Commerce)
- Diversity: Defense, aerospace, space, agriculture, food and beverage, medical, chemical, transportation, electronics, building products, marine, and more

### Small Manufacturers Provide Jobs

- Small Manufacturers Employ 139,591 Workers in Florida

### Most Florida Manufacturers Are Small Businesses

According to the National Association of Manufacturers, in Florida:

- 11,398 Manufacturers Have Fewer Than 500 Employees
- 1,310 Manufacturers Have Fewer Than 99 Employees
- 9,644 Manufacturers Have Fewer Than 20 Employees

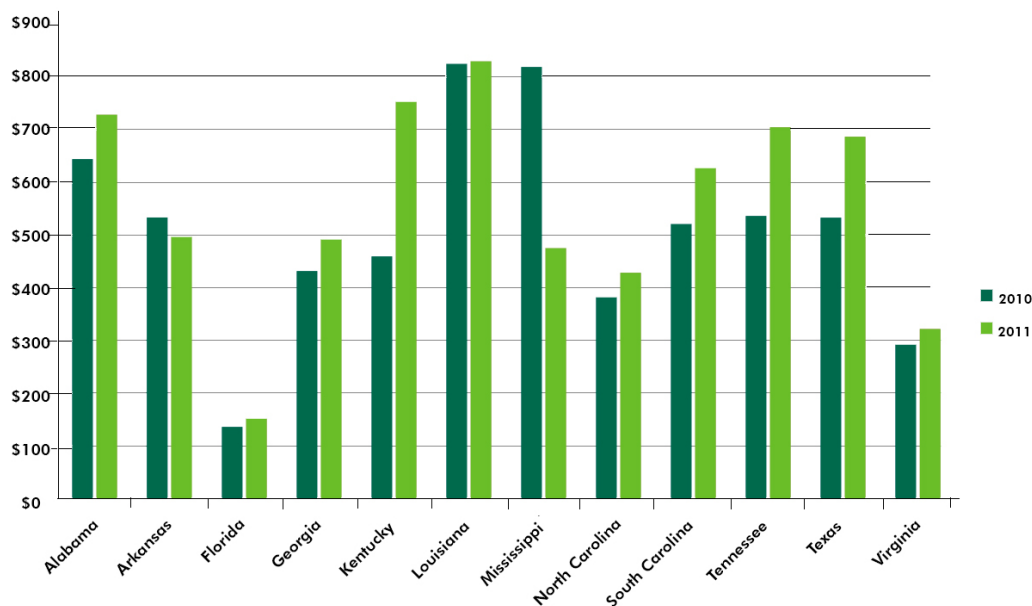
### Manufacturing Workers in Florida Earn More (2011)

- \$52,378: Average Annual Compensation in Manufacturing (DEO)
- \$42,312: Average Annual Compensation in Private Non-Farm Sectors (DEO)

### Impact of Manufacturing The Miami Example

- Add 1,000 new manufacturing jobs in Miami each year for 10 years = Yield of 24,213 new jobs over a 10 year period.
- Of those jobs, 13,595 non-manufacturing.
- First year impact = \$570 million
- First year net exports = \$105.9 million

**Figure 2: Per Capita 2010-2011 Manufacturing Capital Expenditures**



## Top 5 Reasons to Locate in Florida

### 1. Large and Talented Workforce

- More than 307,000 people work in Florida's manufacturing industries, producing everything from food and beverages to semiconductors to aircraft.
- Ranked #1 Best State for Workforce and Job Training and #2 State Workforce.
- Broad network of higher education, vocational education, and customized training programs.

### 2. Business Climate and Tax Structure

- Cost-competitive, low tax burdens, no personal income tax, and superior quality of life.
- Ranked #3 Best State for Business, #4 Best Business Climate, and #5 Tax Climate for Business.
- Expedited permitting and regulatory assistance available.
- Targeted industry incentives including sales and use tax exemptions, and tax credits and refunds for capital investment, R&D, and job creation.

### 3. Infrastructure for Global Commerce and Trade

- 14 deepwater seaports, 21 commercial airports, extensive rail, and major east-west and north-south interstates.
- Ranked #2 Best Transportation Infrastructure in the U.S.
- Unmatched access to Latin America and the Caribbean.
- Nation's #4 largest export state.

### 4. Support Services and Suppliers

- Nationally recognized export assistance programs, robust financial and professional services industry, and strong logistics and distribution network.
- Deep and diverse base of suppliers.
- Active state and local manufacturing trade associations and Florida Manufacturing Extension Partnership help promote manufacturers' global competitiveness.

### 5. Advanced Manufacturing R&D

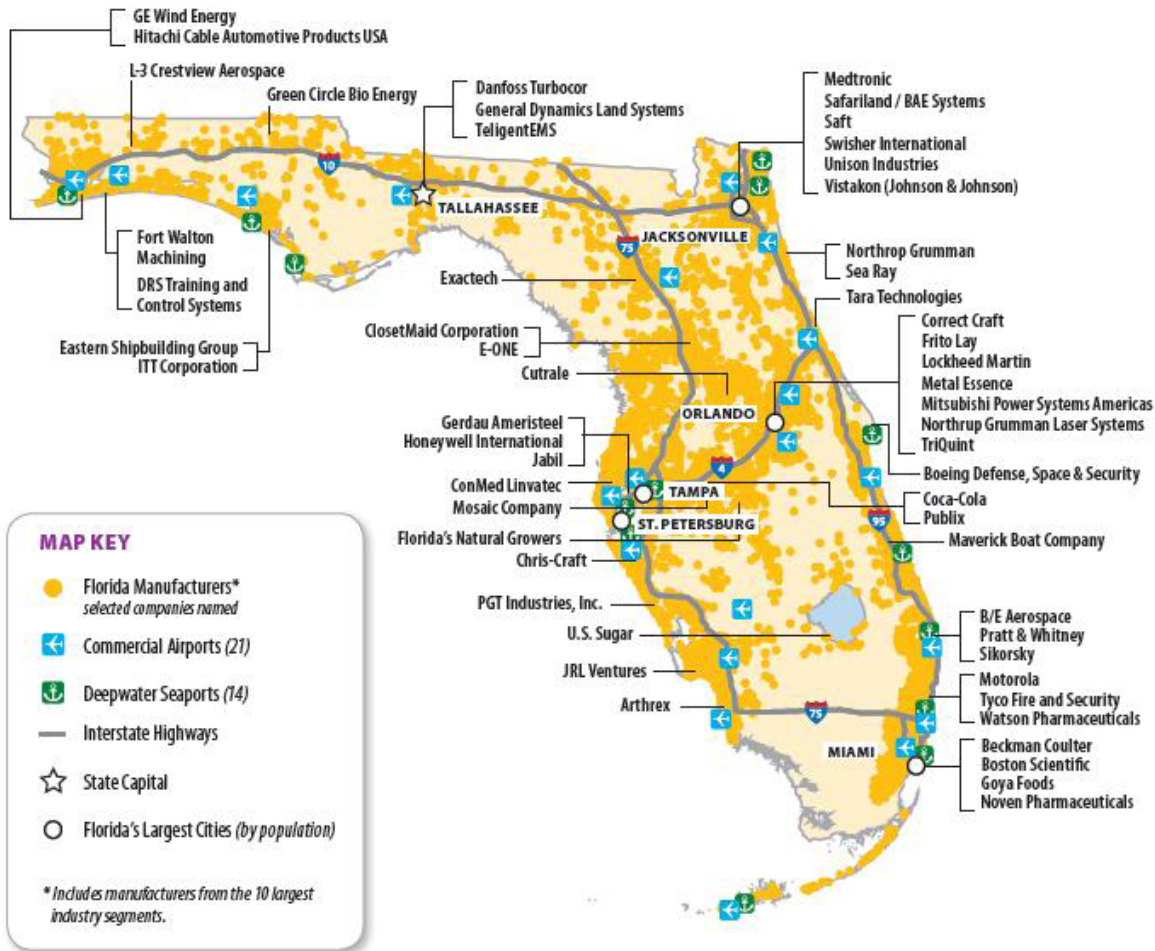
- In state industry, university, military, and NASA R&D investment totaling over \$6 billion annually.
- Particular expertise in advanced materials, aerospace, biomedical, IT, defense, marine, and green technologies.

## Fast Facts

- Florida is the #1 State for Talent Pipeline (US Chamber of Commerce)
- 8th lowest private sector unionization rate
- #1 in manufacturing export intensity
- Florida ranks as the
  - #2 Best State for Business (Chief Executive)
  - #4 Best Business Climate (Business Facilities), and
  - #5 Tax Climate for Business (Tax Foundation)

Manufacturing Sector	Employment
Computer & Electronic Products	42,895
Transportation Equipment	34,110
Fabricated Metal Products	29,927
Food	28,639
Medical Equipment & Miscellaneous	27,754
Machinery	23,547
Chemical	18,057
Printing & Related Support Activities	17,598
Nonmetallic Mineral Products	15,253
Plastics & Rubber Products	11,218

Figure 3: Florida's Manufacturing Cluster



Information compiled from CBRE EA and Manufacturers Association of Florida - Stimulating Manufacturing Investment (01/23/2013) and Enterprise Florida

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