

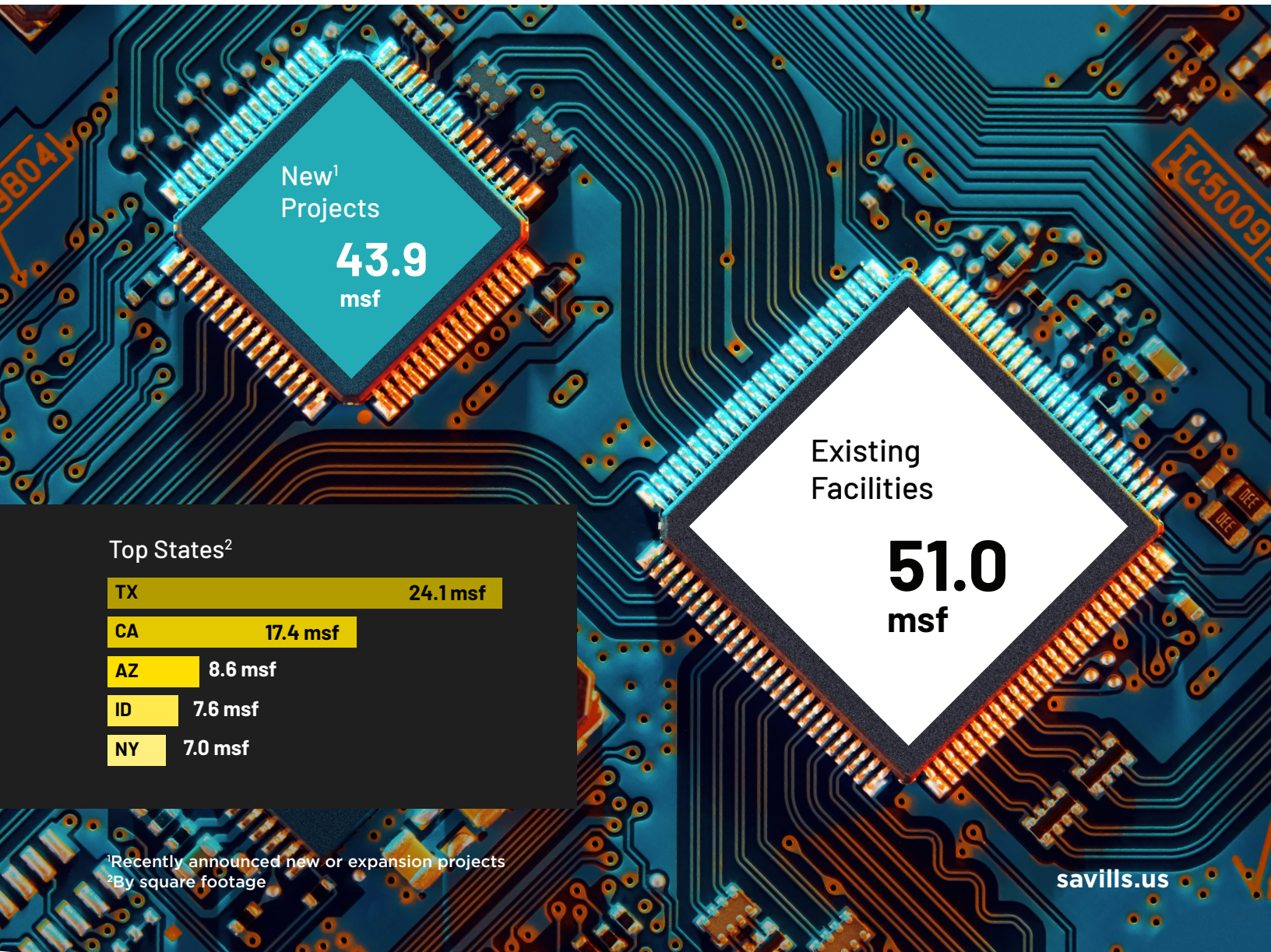


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Sizing Up the Property Market for Semiconductors

Across the United States, 94.9 million square feet (msf) of commercial real estate dedicated to the chip industry supports functions ranging from design and fabrication to research and development (R&D). As rapid technological advancements increase demand and the country vies to regain global market share, an additional 200 msf could be required over the next decade.



New¹
Projects

43.9
msf

Existing
Facilities

51.0
msf

Top States²

TX	24.1 msf
CA	17.4 msf
AZ	8.6 msf
ID	7.6 msf
NY	7.0 msf

¹Recently announced new or expansion projects
²By square footage

Worldwide chip fab capacity to increase 56% over next decade

The semiconductor industry was once dominated by the U.S., with a 37% global market share in 1990, but that declined to 10% as of 2022. Demand has been driven by the evolution of the communications, automotive, computer, consumer electronics and life science industries. COVID-19 lockdown disruptions prompted a global chip shortage while the demand for telehealth, remote work and virtual learning soared. This brought to light the need for the domestic production of semiconductors for national security purposes.

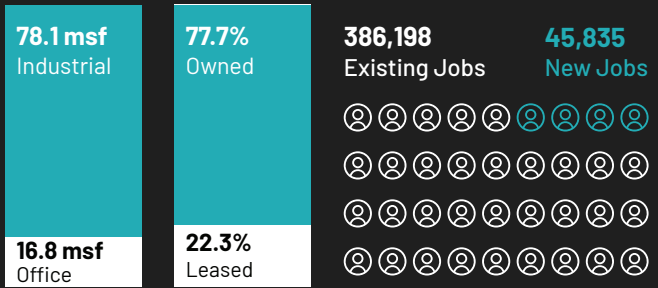
The CHIPS and Science Act was enacted in 2022 to provide funding to boost U.S. research and manufacturing of semiconductors, which are in greater demand than ever, thanks to the rising popularity of electric vehicles and the burgeoning market for artificial intelligence.

The concentration of skilled labor and university R&D partnerships, cost of living and doing business, availability of utilities and infrastructure, state and local incentives and even the frequency of earthquakes all factor into a complex site selection process for semiconductor companies. While Silicon Valley is the historic hub, states such as Texas and Arizona are dominating recent growth trends. These large-scale investments have the potential to move

and shake markets with economies developing around new facilities creating demand for both industrial and office space in places such as Phoenix, Austin and Columbus, Ohio, among others.

For the U.S. to increase its market share of production from 10% to 20% in this expanding market, more than 200 msf of additional real estate could be required.

\$214.5 billion
Investment associated with new projects



Source: Semiconductor Association, Lightcast, Savills Research

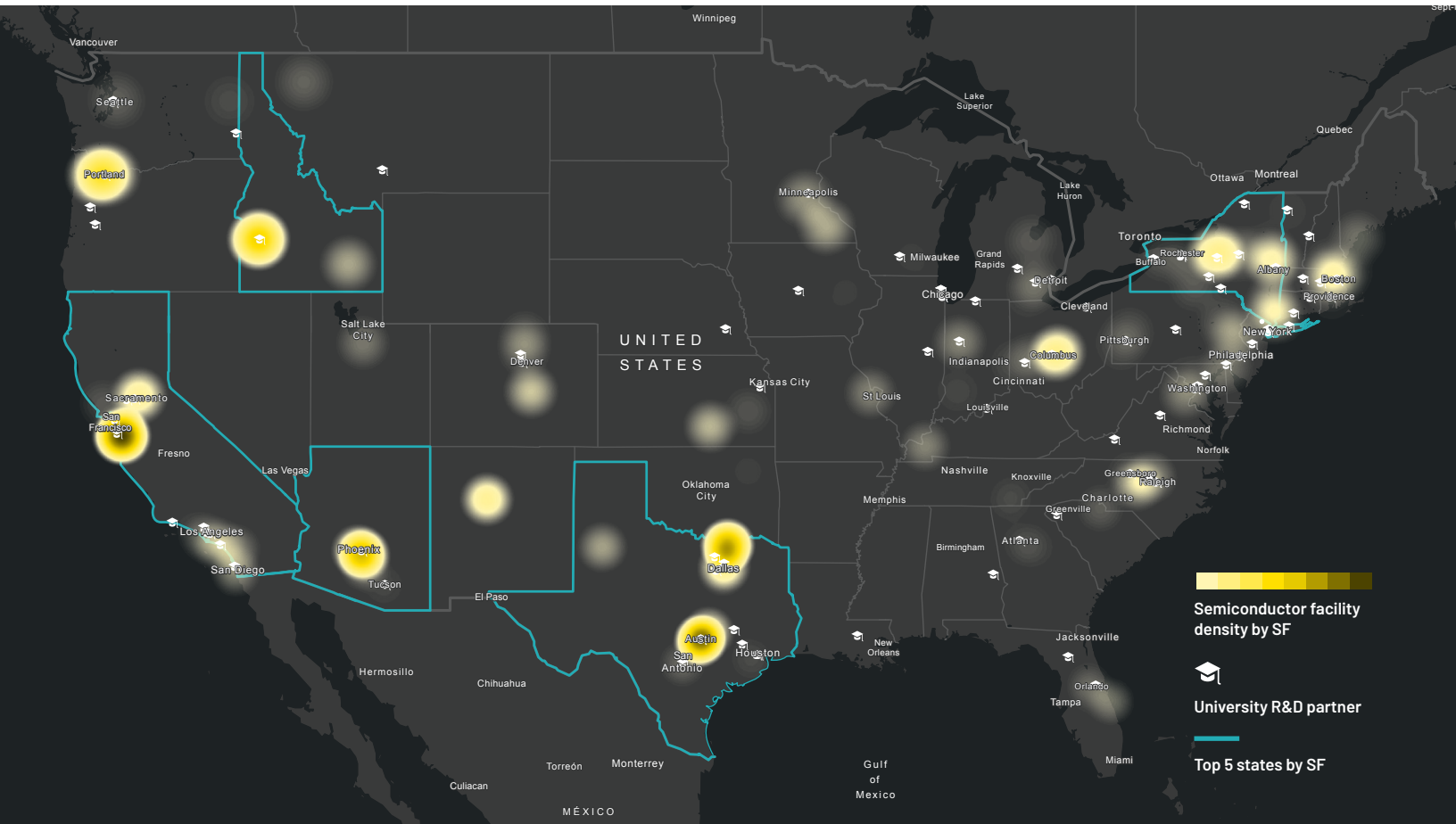
New Office Locations

COMPANY	ADDRESS	MARKET	STATE	SQUARE FEET	YEAR OPEN
Texas Instruments	4555 - 4655 Great America Pkwy	Silicon Valley	CA	205k sf	2023
KLA	601 McCarthy Blvd	Silicon Valley	CA	189k sf	2023
onsemi	5701 N Pima Rd	Phoenix	AZ	175k sf	2023
Solidigm	10951 White Rock Rd	Sacramento	CA	170k sf	2023
Qualcomm	13929 Center Lake Dr	Austin	TX	93k sf	2023

New Industrial Locations

COMPANY	CITY	STATE	INVESTMENT	JOBS	SQUARE FEET	YEAR OPEN
Micron	Clay	NY	\$20 billion	9,000	2.4 msf	2030
Micron	Boise	ID	\$15 billion	2,000	6.5 msf	2029
Texas Instruments	Sherman	TX	\$30 billion	3,000	4.7 msf	2025
Intel	New Albany	OH	\$20 billion	3,000	2.5 msf	2025
TSMC	Phoenix	AZ	\$40 billion	4,500	750k sf	2024

Semiconductor Hot Spots: Workforce, costs, infrastructure and incentives drive location decisions



CHIPS and Science Act of 2022

\$52.7B

Incentives for domestic semiconductor production

1.1M

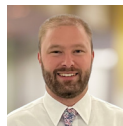
Jobs to be created through 2026 in the semiconductor industry

25%

Tax credit for expenses manufacturing semiconductors and related equipment



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