



CUSHMAN &
WAKEFIELD

VANTAGE POINT



FROM MEGAWATTS TO MULTIPLIERS:

The Data Center Effect on Industrial
Demand, Jobs and Local Revenue

JUNE 2026

Key Findings



10.4%

Data centers are a significant driver of industrial demand, accounting for 10.4% of all industrial new leases.

Data center-related industries accounted for 10.4% of new leasing volume between 2022 and 2025 in the six markets analyzed in this report.

44%

Industrial space demand tied to data centers is accelerating.

Leasing activity rose sharply in 2025, with total data center-related transactions across the six markets increasing 44% year-over-year (YOY). Data center-related tenants accounted for **a record 14.4% of all industrial new leasing in 2025.**

81K-124K

JOBS CREATED

Data centers generate economic gains through initial, direct, indirect and induced employment.

Industrial leasing linked to data centers supports an estimated 33,000 to 50,000 initial jobs across the six markets analyzed. Multiplier effects amplify this impact—for every one job created in industrial sectors supporting data center operations, two and a half additional jobs are created downstream through supply chain activity and household spending.

\$11.6B

IN ANNUAL GROSS OUTPUT

Beyond employment, these industrial linkages generate meaningful labor income and tax revenues. Across the six markets studied, downstream earnings from data center-related industrial employment supported **\$46.4 billion in cumulative gross output** (2022-2025) or roughly \$11.6 billion annually.

IMPACT OF 100MW

Data center driven industrial activity generates significant broader economic output and value creation. Based on the analysis of these six markets, every 100MW of new data center development has significant impacts for the surrounding market creating approximately 1,285 industrial jobs (both initial and downstream combined). These new jobs are worth approximately \$110 million in annualized wages, \$344 million in gross output, \$187 million of gross regional product (GRP) and \$15 million in annual fiscal benefits.

A man and a woman, both wearing glasses and dark jackets over blue shirts, are looking at a tablet together in a server room. The background is filled with rows of server racks and blue ambient lighting.

Introduction

Artificial intelligence (AI) and the global data center infrastructure that supports it have proved to be powerful economic and real estate forces. Data center and AI investment is estimated to have recently contributed between 0.5¹ and 1.1² percentage points towards U.S. GDP growth. Rapid data center expansion and robust construction pipelines are significantly influencing infrastructure development, land sales, construction costs and power demand.

1 Satyam Panday and Paul Gruenwald, "Data Center Investments Are Increasingly Moving the Macro Needle," S&P Global Look Forward: Data Center Frontiers, November 4, 2025, <https://www.spglobal.com/en/research-insights/special-reports/look-forward/data-center-frontiers/data-center-investment-moves-macro-needle>.

2 J.P. Morgan Asset Management, "Is AI Already Driving U.S. Growth?" On the Minds of Investors (New York: J.P. Morgan Asset Management, 2025), <https://am.jpmorgan.com/us/en/asset-management/adv/insights/market-insights/market-updates/on-the-minds-of-investors/is-ai-already-driving-us-growth/>.

Operational data center capacity in the Americas now totals 43.4GW, up 61% over the past three years. Although the industry has shifted to a period of managed growth, demand for compute has not slowed. Based on current pipelines, capacity in the Americas is expected to increase sixfold, while APAC is expected to grow 2.4 times and EMEA 2.3 times. **The Americas development pipeline is substantial, with 25.3GW under construction and nearly 89% of this is precommitted.** Vacancy remains near historic lows—4.2% across the Americas and just 1.1% across the six U.S. markets analyzed in this report.

Given overlap in geography and the similar physical nature of these buildings, the relationship between data centers and the industrial real estate market is increasingly intertwined. In this report, we evaluate whether data centers drive nearby industrial demand, increase local employment, and generate broader economic benefits for their markets.



Analysis Overview

The economic impacts of data center investment extend beyond the immediate construction and operations of these facilities. Data centers can stimulate downstream economic activity by attracting adjacent industrial uses and supporting supply chain activity in surrounding regions.

The main objective of this analysis is to assess the downstream effects data centers have on surrounding communities, starting with their role in driving industrial demand. To test this, we analyzed six U.S. markets where a significant amount of data center capacity is under construction. The analysis intentionally includes a variety of market types: the largest global market (Virginia, with 11,275MW of inventory), an emerging market (Austin/San Antonio, with 1,154MW), and several geographically diverse primary markets in between—Phoenix (2,341MW), Atlanta (1,757MW), Dallas/Fort Worth (1,715MW) and Chicago (1,315MW).

Industrial inventory also varies across these markets. Chicago is the largest industrial market in the Americas at 1.3 billion square feet (bsf), while Austin/San Antonio is just one-fifth that size (241 msf). The other markets fall between Dallas/Fort Worth (1.0 bsf), Atlanta (783 msf), Phoenix (447 msf), and Virginia (320 msf).³

³ Cushman & Wakefield Research industrial markets that overlap with the Virginia data center market include Fredericksburg, Hampton Roads, Northern Virginia and Richmond.

Table 1: Markets Included in Analysis - Inventory and Construction Pipelines

	Data Centers (MW)			Industrial (MSF)	
Markets	Current Inventory	Under Construction	Planned	Current Inventory	Under Construction
Atlanta	1,757	1,322	13,037	783	8.2
Austin / San Antonio	1,154	615	7,823	241	7.3
Chicago	1,315	1,315	7,203	1,308	13.5
Dallas	1,715	1,178	11,891	1,032	31.2
Phoenix	2,341	1,006	7,493	447	10.4
Virginia	11,275	6,351	37,475	320	11.8
Total	19,557	11,786	84,922	4,131	82.4

Source: Cushman & Wakefield Research

Process Overview:

- **Quantified the number and total capacity of data centers actively under construction.**
 - 236 data centers with 11GW of capacity underway across six U.S. markets.
- **Identified existing industrial buildings.**
 - 4.1 bsf of industrial inventory across the six markets.
- **Totaled new leases⁴ in these industrial buildings since 2022.**
 - 388 msf of new industrial leasing.
- **Analyzed the impact of data centers on new industrial leasing demand.**
 - Between 2022-2025, 10.4% of industrial leasing in these six markets was data center-related.
 - The share has been steadily increasing, hitting 14.4% in 2025.
- **Estimated the number of jobs created by this leasing activity.**
 - Each year, 12,400 initial industrial jobs and 31,000 downstream jobs were created, for a total of 43,400 new jobs annually.
- **Estimated broader economic impacts based on job growth.**
 - \$3.7 billion of annual wage income, \$500 million in annual tax revenue, \$11.6 billion in annual gross output and \$6.3 billion in annual GRP contributions.
- **Calculated the average impact per 100 MW of data center development.**
 - 365,000 sf of industrial leasing by data center-related occupiers.
 - 1,285 new jobs (367 initial industrial jobs and 919 downstream jobs).
 - \$110 million in new wage income.

⁴ This analysis does not account for renewals from data center-related industrial occupiers, which would increase the positive outputs from data center activity..

Leasing by companies directly or indirectly related to data centers is based on industrial occupier industry categorization. A full list of NAICS codes considered data center-related is included in appendix A.⁵

First degree includes firms whose primary business model, revenue generation or operations are structurally or economically dependent on the data center ecosystem. These companies either specialize in serving the data center industry or derive a substantial share of revenue from data center-related development, construction, fit out, IT equipment disposal/recycling or mission-critical operations.

Example sectors: Electrical and mechanical contractors, thermal management and cooling systems, power equipment and switchgear, wiring/cabling and fiber optics.

Key characteristics: High revenue concentration from data center clients, specialized products or services that are difficult to redeploy outside the data center sector, and leasing decisions that are closely linked to data center development.

Second degree includes firms that actively serve the data center industry but maintain diversified exposure across multiple end markets or value chains. Data centers represent an important growth area but do not dominate overall strategy or revenue.

Example sectors: Electronic components, telecom, electrical wholesalers, energy storage, fire and life safety, general IT disposal.

Key characteristics: Relevant but not exclusive products or services, mixed demand drivers, and leasing activity that correlates with data center growth with some lag.

Third degree includes firms that provide standardized construction materials, services, systems, and infrastructure used in data center development but also serve a wide range of property types and end-use markets. They participate in data center development and operations through the provisioning of more general building and infrastructure inputs.



Example sectors: Solar battery storage, generator repair, commercial HVAC, energy-related materials, structural building products, wholesale electrical supply and security components.

Data Centers Emerge as a Major Industrial Demand Driver

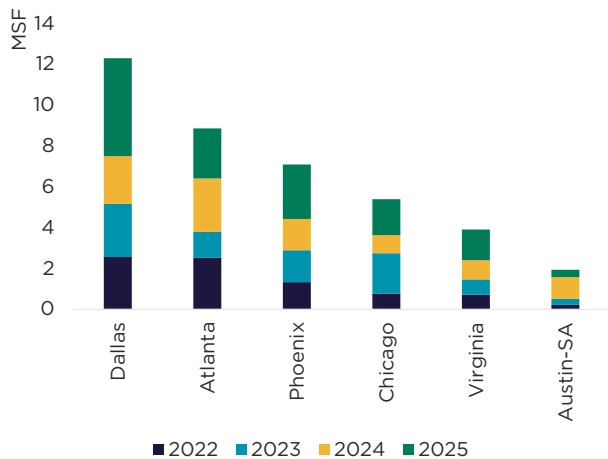
Historically, industrial leasing demand has been dominated by 3PLs, retailers and manufacturers. More recently, **rapid data center expansion has created a meaningful new source of demand from companies that service, supply and support data centers.** While these users do not account for the same share of space as core industrial sectors, they have become an increasingly important subsector in active data center markets. **Since 2022, data center-related occupiers have accounted for 10.4% of industrial leasing activity, with this share climbing each year to a high of 14.4% in 2025.**

Data center-related industrial leasing has been most concentrated in the 30,000- to 400,000-sf range. Since the start of 2022, more than 40 msf of transactions in this range have been completed across the selected markets.

⁵ Cushman & Wakefield Research was intentionally “conservative” in categorizations to not overestimate the impact of data centers on industrial leasing. For example, even though some chip manufacturing leasing may be directly related to nearby data center development, the corresponding NAICS was excluded because much of chip manufacturing is likely not related.

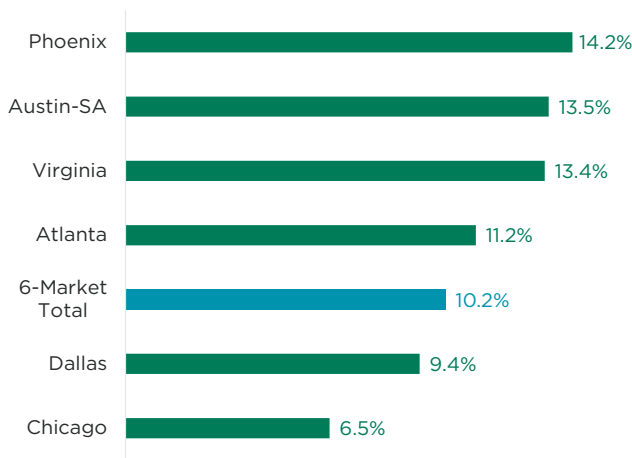
Aggregate demand across the six markets rose modestly from 2022 through 2024, increasing 6%–11% annually. In 2025, however, leasing activity accelerated sharply, climbing 44% YOY to 13.5 msf as data center inventories and construction activity surged. Last year, data center-related demand reached four-year highs in Dallas, Phoenix, Chicago and Virginia. Dallas experienced the largest YOY increase, with leasing volume more than doubling, while Chicago and Phoenix recorded gains of 98% and 76%, respectively. **Data center-related leasing grew at double the rate of overall industrial new leasing demand in 2025 (30% vs. 16%).**

Figure 1: Data Center-Related Industrial New Leasing Activity by Select Market



Source: Cushman & Wakefield Research

Figure 2: Data Center-Related Leasing Share of Total Industrial Leasing Activity (2022-2025)

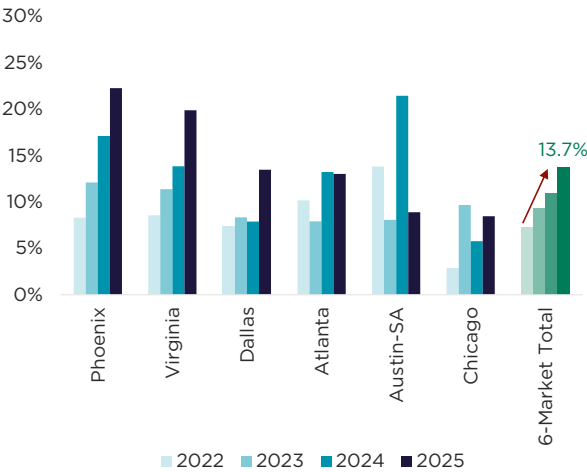


Source: Cushman & Wakefield Research

From 2022 through 2025, these companies accounted for 10.4% of total industrial leasing volume. Virginia (13.4%) and Phoenix (14.2%) posted the highest overall concentrations. In 2025, Dallas stood out, with data center-related users driving 22% of all leasing in the targeted size segment—the highest share among the markets analyzed.

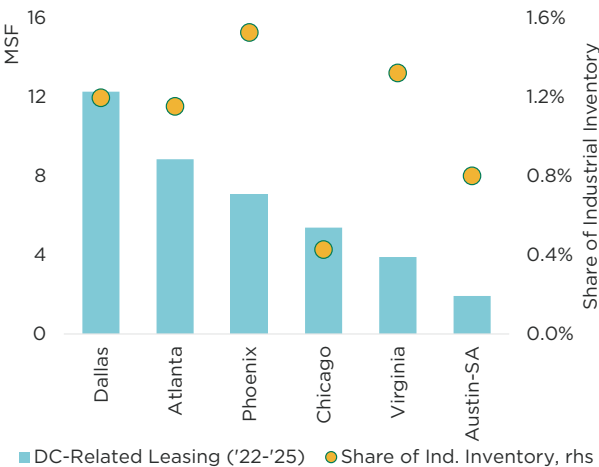
In absolute terms, industrial gateway markets such as Dallas, Atlanta and Chicago generated the largest leasing volumes due to their scale. When viewed as a share of total industrial inventory, however, Phoenix and Virginia led, with data center-related demand equating to 1.5% and 1.3% of total industrial inventory, respectively.

Figure 3: Annual Data Center-Related Industrial New Leasing Activity as Share of Total Leasing



Source: Cushman & Wakefield Research

Figure 4: Data Center-Related Industrial New Leasing as Share of Inventory (2022-2025)



Source: Cushman & Wakefield Research

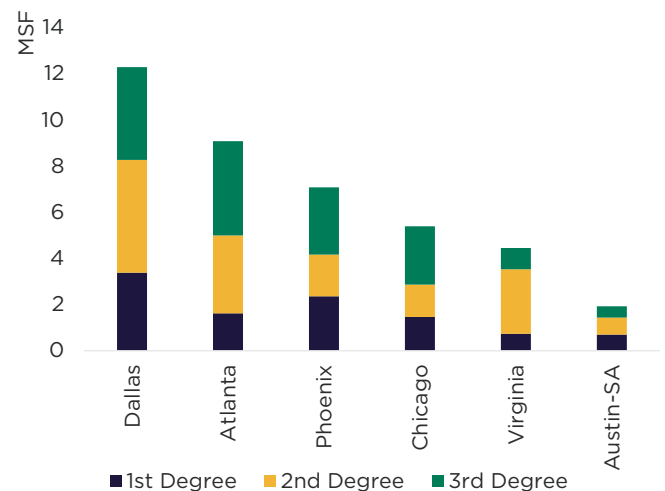
Degrees of Data Center-related Leasing

First-degree users, whose primary business is directly dependent on data centers, accounted for just over 25% of total data center-related demand, or 10.3 msf, from 2022 to 2025. The highest concentrations were observed in Austin-San Antonio, Phoenix and Dallas, where these users represented 28%-37% of data center-related activity. Dallas and Phoenix recorded the largest absolute volumes, with 3.4 msf and 2.4 msf, respectively. The most active tenants included construction firms, electrical contractors, and manufacturers or suppliers of electrical, HVAC and related equipment.

Second-degree users, which actively serve the data center industry while maintaining diversified operations, generated 15.0 msf of leasing over the same period—46% more than first-degree users. Activity was strongest in Dallas (4.9 msf), Atlanta (3.4 msf) and Virginia (2.8 msf). Virginia posted the highest concentration, with second-degree users accounting for 9% of all leasing activity, while the other five markets averaged 2% to 5%. Within data center-related transactions, second-degree users represented 63% of the total in Virginia.

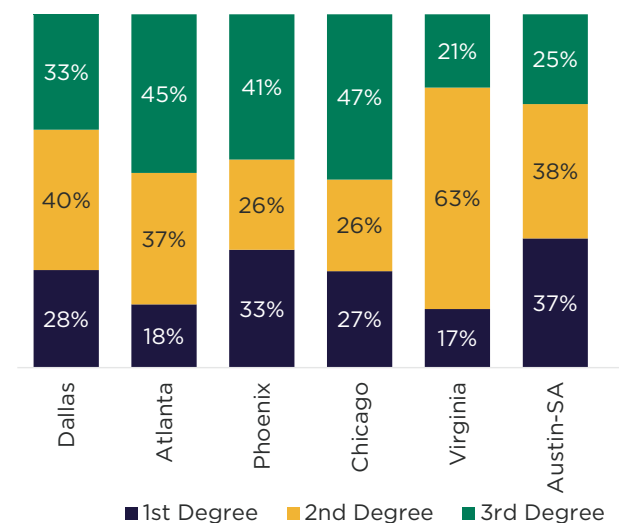
Third-degree users, which provide materials, services and systems to data centers as well as a broad range of other property types, accounted for 14.9 msf of leasing since 2022, or 37% of all data center-related activity in the targeted size range. Atlanta and Dallas each exceeded 4.0 msf of third-degree leasing. In Chicago, these users represented 47% of total data center-related demand, while in Atlanta they accounted for 45% of the subsector, or 5.1% of overall leasing volume.

Figure 5: New Industrial Leases—Data Center-Related Industries by Degree of Connectivity (Total Square Footage)



Source: Cushman & Wakefield Research

Figure 6: New Industrial Leases—Data Center-Related Industries by Degree of Connectivity (Market Share)



Source: Cushman & Wakefield Research

Virginia: The Nation's Data Center Capital

Virginia has anchored the U.S. data center industry for more than 30 years. Since the early 1990s, steady expansion has made it the world's largest data center market, with millions of square feet clustered in "Data Center Alley." As the most established data center market globally, Virginia also has the deepest track record of industrial demand tied to the sector.

Virginia's 320-msf industrial base is anchored by Richmond and Hampton Roads, which account for 74% of tracked statewide inventory. **From 2022 through 2025, data center-related tenants drove 13.4% of all new leasing demand, totaling 3.9 msf.** In this mature market, the story extends beyond new deals: Long-established suppliers and service providers continue to renew in place, generating another 1.5 msf of renewals since 2022 and reinforcing Virginia's role as the industry's core operating hub.

Overview of Economic Impact Analysis

Data centers are often incorrectly viewed as energy-intensive facilities that generate relatively few permanent jobs for their size. However, empirical research shows that their expansion increases local employment, incomes and business activity.⁶

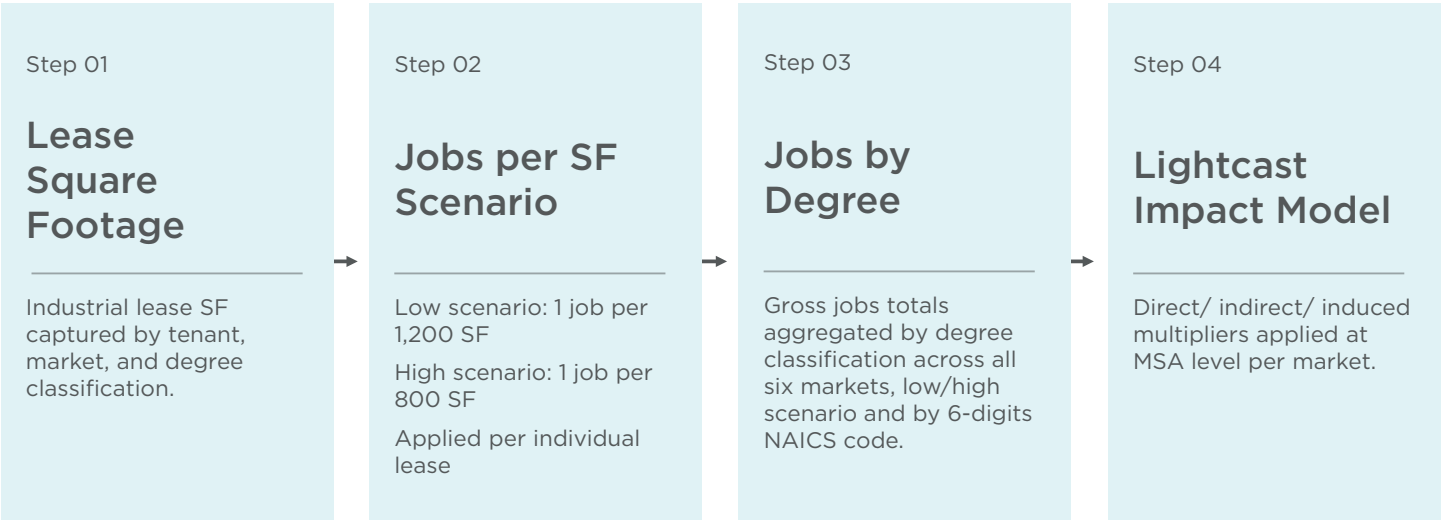
Against this backdrop, data centers should be modeled not as traditional labor-intensive industrial uses but as infrastructure projects that generate a range of broader regional economic impacts, including short-term construction employment, agglomeration effects and long-term employment multipliers.

This section of the report quantifies the economic benefits resulting from the ongoing operation of induced industrial demand. Specifically, we estimate the number of jobs created across the downstream supply chain, gross output, contributions to GRP as well as associated wages, salaries and tax revenue generated within the regional economy.

The methodology used in this analysis is outlined in Figure 7. A more detailed overview is provided in appendix B: ***Data Centers' Economic Impact Analysis Methodology***.

⁶ Fernando E. Alvarez, David Argente, Joyce Chow, and Diana Van Patten, "Data Centers and Local Economies in the Age of AI: A Shift-Share Approach," NBER Working Paper no. 35194 (Cambridge, MA: National Bureau of Economic Research, May 2026), <https://doi.org/10.3386/w35194>.

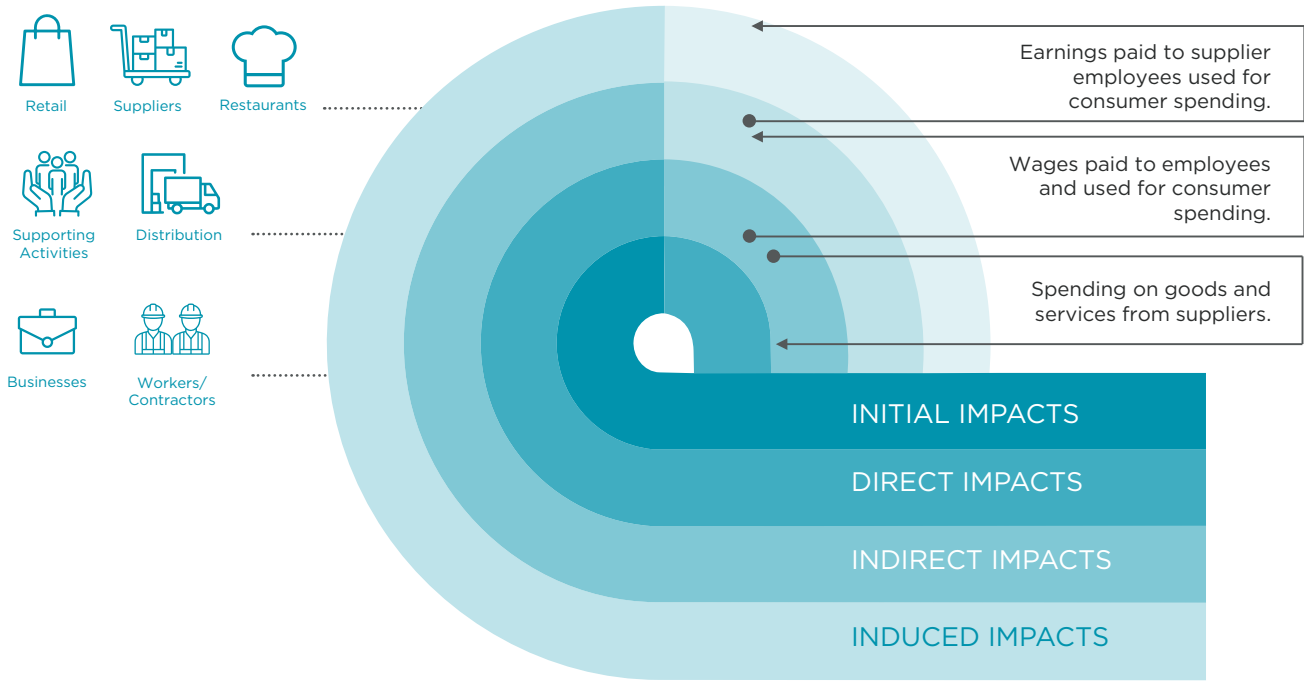
Figure 7: Cushman & Wakefield Research’s Four-Step Economic Impact Analysis (EIA) Framework



The Wider Economic Contributions of Data Centers

Taken together, the employment, and associated wages and salaries, fiscal impacts as well as gross output and GRP illustrate the broader economic contribution generated by industrial leasing activity in proximity to data centers. While the initial employment and associated benefits occur within the industrial facilities themselves, the economic effects ripple through the regional economy via supply chain linkages and household spending. This interconnected structure of economic activity highlights how agglomeration benefits associated with data centers and industrial leasing extend well beyond project boundaries, supporting jobs, income, and fiscal benefits across a wide range of industries (Figure 8).

Figure 8: Ripple Effect of Economic Impacts



The total economic benefits supported by the industrial leasing adjacent to data centers can be found in Table 2.

**Table 2: Economic Impact Analysis Total Benefits, Millions USD**

Market	FTEs	Earnings	Fiscal Benefits	Gross Output	GRP
Low Scenario	81,625	\$9,983	\$1,359	\$31,100	\$16,901
High Scenario	123,911	\$14,907	\$2,042	\$46,400	\$25,243

Note: Based upon cumulative leasing activity from 2022-2025. Figures for earnings, fiscal benefits, gross output and GRP are in millions of dollars reported in 2025 dollars.

Source: Cushman & Wakefield Research

Based on recently leased industrial square footage and low and high job scenarios, estimated initial employment generated through industrial agglomeration effects in the six analyzed markets ranged between 33,150 and 49,500.

Table 3: Initial Jobs Created from Adjacent Industrial Leasing

Market	Total SF of Leasing	Initial Jobs Low Scenario	Initial Jobs High Scenario
Atlanta	8,855,900	7,420	11,080
Austin/ San Antonio	1,928,000	1,600	2,420
Chicago	5,404,000	4,500	6,760
Dallas	12,318,000	10,290	15,360
Phoenix	7,080,000	5,920	8,820
Virginia	4,076,000	3,420	5,060
Total	39,661,900	33,150	49,500

Note: Jobs reported as person years employment. Leasing square footage is confined to 2022 to 2025. Leasing figures across first-, second- and third-level connections and have been rounded to the nearest hundred.

Source: Cushman & Wakefield Research

To capture the broader economic impact, employment multipliers were applied to estimate additional indirect (supply chain) and induced (household spending) effects associated with the industrial activity surrounding data centers. Initial impacts reflect jobs created by firms locating near data centers, while downstream employment estimates account for jobs created through the supply chain and local consumption. Across the six markets, these downstream employment effects are estimated to add an average of between 13,600 to 20,700 jobs for each market, for a total of 81,000 to 124,000 jobs.

Table 4: Downstream Employment Impacts from Industrial Leasing – Low Scenario

Market	Direct	Indirect	Induced	Total Jobs
Atlanta	1,438	10,030	7,694	19,162
Austin/ San Antonio	901	973	869	2,744
Chicago	2,951	3,077	5,231	11,258
Dallas	5,406	12,887	9,144	27,438
Phoenix	4,181	4,004	6,930	15,115
Virginia	974	3,585	1,349	5,908
Total	15,851	34,557	31,217	81,625

Source: Lightcast; Cushman & Wakefield Research

Table 5: Downstream Employment Impacts from Industrial Leasing – High Scenario

Market	Direct	Indirect	Induced	Total Jobs
Atlanta	4,348	14,953	11,403	30,705
Austin/ San Antonio	1,366	1,462	1,335	4,164
Chicago	4,461	4,685	7,863	17,009
Dallas	8,072	19,267	13,639	40,978
Phoenix	6,271	5,843	10,181	22,295
Virginia	1,425	5,267	2,069	8,761
Total	25,942	51,477	46,491	123,911

Source: Lightcast; Cushman & Wakefield Research

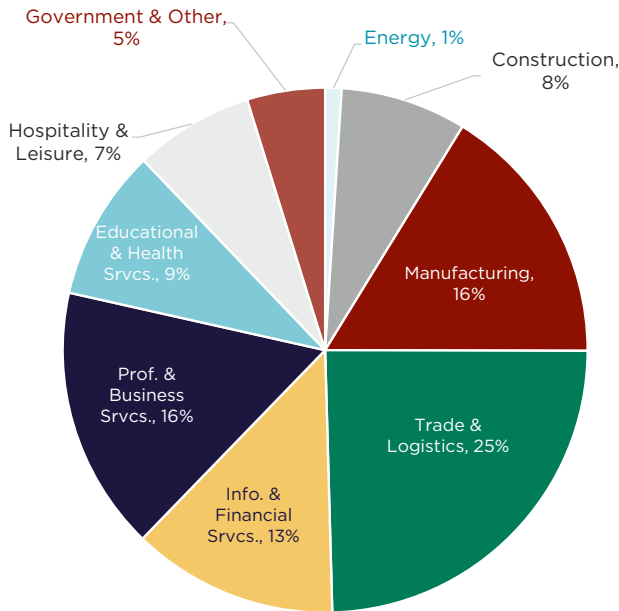
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For every one job created in industrial sectors supporting data center operations, **two and a half additional jobs are created downstream** through supply chain activity and household spending.

Employment generated through these agglomeration effects is distributed across a diverse set of industries, reflecting the interconnected structure of the regional economies assessed. While a portion of the jobs are concentrated within the industrial tenants themselves (initial jobs), additional employment is created across supplier industries that provide the intermediate goods and services required for operations. As workers earn incomes and spend within their local economies, further employment is supported in consumer-facing sectors through induced effects.

Approximately 68% of total jobs created are concentrated in industries linked to the downstream supply chain, including manufacturing, trade and logistics, information and financial services and professional and business services.

Figure 9: Distribution of Jobs Created by Industrial Leasing



Source: Lightcast; Cushman & Wakefield Research

Economic benefits tied to data center-driven industrial demand flow through local economies via household spending, supporting regional earnings in induced (consumer-oriented) sectors. Figure 10 summarizes total earnings generated by employment impacts of the low scenario, including earnings from initial industrial employment as well as those supported through supply chain and household spending effects.

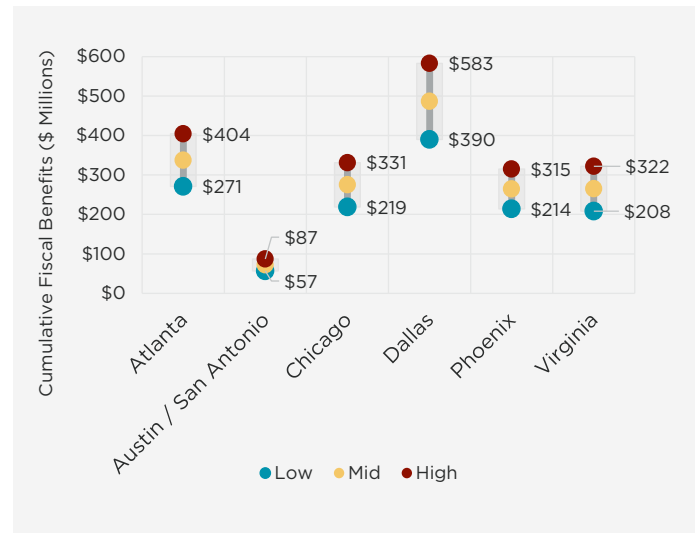
Figure 10: Downstream Earnings Range from Industrial Leasing



Source: Lightcast; Cushman & Wakefield Research

In addition to supporting well-paying jobs in the industrial sector, industrial leasing activity is expected to generate additional fiscal benefits at the local, state and federal levels (Figure 11). These impacts arise from taxes on production and imports, including sales and property taxes associated with business operations. State and local taxes primarily include non-personal property taxes, licenses, and sales and gross receipts taxes, while federal taxes consist mainly of excise taxes on goods and services. Together, these fiscal channels translate the economic activity associated with industrial leasing into meaningful public sector revenue that can support government services and infrastructure investment.

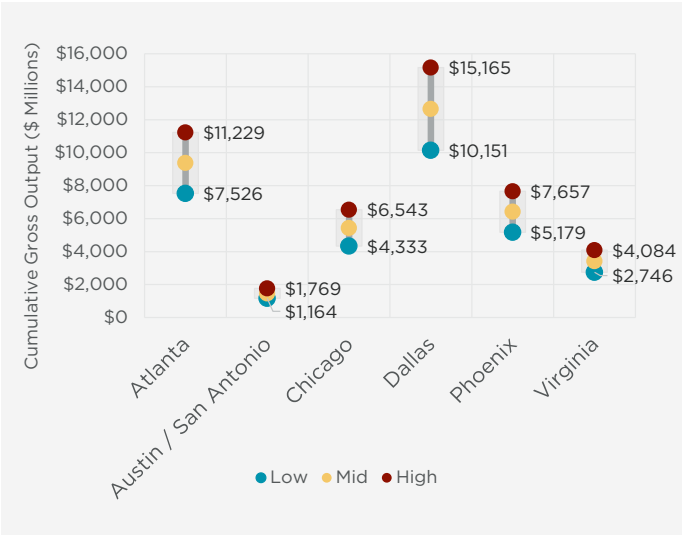
Figure 11: Fiscal Benefits Range from Industrial Leasing



Source: Lightcast; Cushman & Wakefield Research

Gross output provides a comprehensive measure of the total economic activity generated through industrial leasing associated with data center operations. This metric captures the total economic value of new goods delivered and services provided within the regional economy. Across all markets the difference between the low and high scenarios highlights the sensitivity of total economic activity to employment assumptions and multiplier effects (Figure 12).

Figure 12: Gross Output Range from Industrial Leasing



Source: Lightcast; Cushman & Wakefield Research

While gross output measures total economic activity, GRP reflects the value added to the regional economy, providing a more direct measure of economic contribution. GRP captures the net increase in economic value after excluding intermediate inputs, making it a key indicator of how industrial activity translates into regional income and productivity (Figure 13).

Figure 13: GRP Range from Industrial Leasing



Source: Lightcast; Cushman & Wakefield Research

Together, the gross output and GRP estimates highlight how industrial leasing activity linked to data centers translates into both broad-based economic activity and measurable gains in regional value creation. These impacts when combined with employment, earnings and fiscal contributions provide a comprehensive view of the total economic footprint generated through data center driven industrial demand.





Closing Thoughts

Overall, the analysis demonstrates that industrial leasing activity associated with data centers generates substantial economic benefits across regional economies. Beyond the initial employment impacts from induced industrial leasing, supply chain linkages and household spending significantly amplify job creation, income generation and fiscal contributions. The scale of gross output and GRP impacts underscores the role of data centers as catalyst for broader economic activity, supporting value creation across a diverse set of industries.

Appendix A

ID	NAICS Code	NAICS Description
1	238210	Electrical Contractors and Other Wiring Installation Contractors
1	238220	Plumbing, Heating, and Air-Conditioning Contractors
1	238290	Other Building Equipment Contractors
1	238310	Drywall and Insulation Contractors
1	238990	All Other Specialty Trade Contractors
1	332999	All Other Miscellaneous Fabricated Metal Product Manufacturing
1	333415	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing
1	334418	Printed Circuit Assembly (Electronic Assembly) Manufacturing
1	334419	Other Electronic Component Manufacturing
1	335312	Motor and Generator Manufacturing
1	335313	Switchgear and Switchboard Apparatus Manufacturing
1	335910	Battery Manufacturing
1	335921	Fiber Optic Cable Manufacturing
1	335929	Other Communication and Energy Wire Manufacturing
1	335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing
1	423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers
1	423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers
1	423690	Other Electronic Parts and Equipment Merchant Wholesalers
1	423730	Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers
1	488991	Packing and Crating
1	517111	Wired Telecommunications Carriers
1	541512	Computer Systems Design Services
1	562920	Materials Recovery Facilities
2	236220	Commercial and Institutional Building Construction
2	237130	Power and Communication Line and Related Structures Construction
2	332996	Fabricated Pipe and Pipe Fitting Manufacturing
2	333413	Industrial and Commercial Fan and Blower and Air Purification Equipment Manufacturing
2	334111	Electronic Computer Manufacturing
2	335314	Relay and Industrial Control Manufacturing
2	423390	Other Construction Material Merchant Wholesalers
2	423720	Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers
2	423830	Industrial Machinery and Equipment Merchant Wholesalers
2	423840	Industrial Supplies Merchant Wholesalers
2	488510	Freight Transportation Arrangement
2	532490	Other Commercial and Industrial Machinery and Equipment Rental and Leasing
2	541330	Engineering Services

ID	NAICS Code	NAICS Description
2	811210	Electronic and Precision Equipment Repair and Maintenance
3	221122	Electric Power Distribution
3	238110	Poured Concrete Foundation and Structure Contractors
3	238190	Other Foundation, Structure, and Building Exterior Contractors
3	313230	Nonwoven Fabric Mills
3	321215	Engineered Wood Member Manufacturing
3	325520	Adhesive Manufacturing
3	326122	Plastics Pipe and Pipe Fitting Manufacturing
3	326199	All Other Plastics Product Manufacturing
3	327993	Mineral Wool Manufacturing
3	331420	Copper Rolling, Drawing, Extruding, and Alloying
3	332119	Metal Crown, Closure, and Other Metal Stamping (except Automotive)
3	332312	Fabricated Structural Metal Manufacturing
3	332322	Sheet Metal Work Manufacturing
3	332510	Hardware Manufacturing
3	332613	Spring Manufacturing
3	332911	Industrial Valve Manufacturing
3	332913	Plumbing Fixture Fitting and Trim Manufacturing
3	333120	Construction Machinery Manufacturing
3	333618	Other Engine Equipment Manufacturing
3	333914	Measuring, Dispensing, and Other Pumping Equipment Manufacturing
3	333995	Fluid Power Cylinder and Actuator Manufacturing
3	334413	Semiconductor and Related Device Manufacturing
3	335132	Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing
3	335931	Current-Carrying Wiring Device Manufacturing
3	336390	Other Motor Vehicle Parts Manufacturing
3	423330	Roofing, Siding, and Insulation Material Merchant Wholesalers
3	423710	Hardware Merchant Wholesalers
3	423850	Service Establishment Equipment and Supplies Merchant Wholesalers
3	423990	Other Miscellaneous Durable Goods Merchant Wholesalers
3	424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)
3	425120	Wholesale Trade Agents and Brokers
3	484230	Specialized Freight (except Used Goods) Trucking, Long-Distance
3	541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)
3	811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance

Appendix B

Data Centers' Economic Impact Analysis Methodology

To estimate the downstream economic impacts of data center development and data center-related industrial activity, Cushman & Wakefield Research used the Lightcast input-output (I/O) model, applying it to industrial leasing activity associated with data centers. The I/O model captures interindustry purchasing relationships and household spending effects. Impacts are reported across initial, direct, indirect and induced channels and are expressed in terms of employment, labor income, and taxes on production and imports.

To account for variation across industries and operational models, this analysis applies two employment density scenarios to represent low and high employment ranges. The resulting employment estimates are presented as gross impact and do not account for potential displacement effects or future productivity changes. As such, they reflect economic activity within the data center catchment area rather than net new job creation.

Figure A1
High and Low Job Density Scenarios

LOW SCENARIO

1 Job per 1,200 SF

Conservative employment density reflecting capital-intensive operations with limited headcount per square foot.

HIGH SCENARIO

1 Job per 800 SF

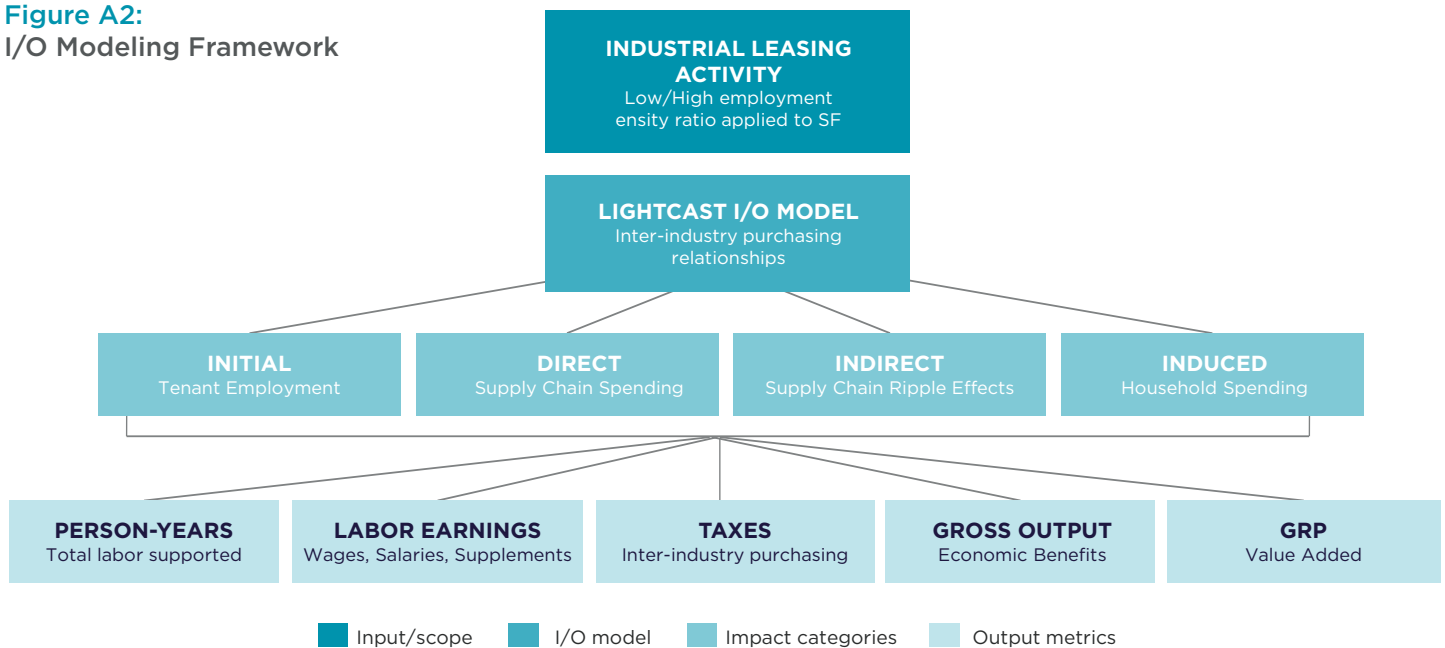
Higher employment density reflecting more laborintensive operations such as technical services, specialized contractor activities, and assembly functions with greater worker-to-space ratios.

Source: Lightcast; Cushman & Wakefield Research

Estimated initial employment figures were then used as inputs into a regional I/O model to quantify broader economic impacts. These initial effects serve as the primary economic stimulus, which propagates through the economy via interindustry purchasing relationships and household spending.

The model estimates five key outcomes: employment, labor earnings, taxes on production and imports as well as gross output and GRP. Employment impacts are presented as person-years of employment supported, representing the total volume of labor rather than the number of unique individuals employed. Labor earnings represent total annual income across all impacted industries, including wages, salaries and supplemental labor income. Taxes on production and imports capture fiscal contributions, including sales and nonresidential property taxes. Gross output represents the total economic value of new goods and services within a regional economy and GRP represents the value added through stimulated economic activity from all final goods and services produced in the regional economy.

Figure A2:
I/O Modeling Framework



Source: Lightcast; Cushman & Wakefield Research

Using these inputs, impacts are categorized across four channels:

- 1. Initial:** Employment associated with industrial tenants located in proximity to data centers
- 2. Direct:** Additional economic activity generated as these companies purchase goods and services from their immediate suppliers
- 3. Indirect:** Subsequent ripple effects across broader supply chains as suppliers increase purchasing in response to direct demand
- 4. Induced:** Supplier and employee wages spent on private and household consumption

Together, these channels capture the multiplier effects of industrial leasing activity. The results quantify the total employment, labor earnings, gross output, GRP and associated fiscal revenues tied to jobs created by industrial demand surrounding data centers, reflecting both immediate and broader regional economic impacts.

Assumptions and Limitations

Geographic proximity to a data center is used as a proxy for economic linkage. This analysis does not establish, and does not claim to establish, that the presence of a data center caused industrial tenants to locate within the catchment area.

Employment estimates should therefore not be interpreted as net new job creation. The methodology does not distinguish between firms entering a market and those relocating within it. As a result, the findings represent gross activity within the data center ecosystem rather than incremental economic gains attributable solely to data center development.

Accordingly, the results are best interpreted as an upper-bound estimate of industrial economic activity associated with data center clustering. The low- and high-range scenarios reflect uncertainty in employment density assumptions as well as inherent variation across operating models.

The modelling employed in this report utilizes Lightcast's in-house input-output model and includes all typical limitations associated with input output modelling, including:

- The model assumed fixed input-output relationships, meaning production responds proportionally to demand.
- Industries operate under constant returns to scale. They do not capture economies or diseconomies of scale.
- Prices are assumed to be constant.
- The model is static and does not account for adjustment dynamics or time lags.



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ABOUT CUSHMAN & WAKEFIELD

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