

Lancaster remains top choice for new manufacturing space in Dallas County

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Lancaster continues to be the premier choice for new manufacturing and fulfillment space in Dallas County. The community has more than doubled its stock of industrial and distribution space between 2016 and 2021, adding 6.9 million square feet of new space. A total of approximately 7.8 million square feet of additional space is under construction or far along in the planning process, most of which is expected to be online by 2025.

The growth in Lancaster's industrial real estate market is the result of both a strong leasing environment and build-to-suit construction for national and international companies like Walmart, DSV Logistics, Niagara Bottling and McKinley Packaging. Construction of spec buildings is continuing with Oakmont's recent completion of a 600,000-square-foot facility, and new construction is starting for a few projects by White Tract that are expected to add more than 1.5 million square feet of industrial space. The vacancy rate for industrial property dropped from close to 25% in 2017 to close to 5% today.

Lancaster is also well positioned to attract additional manufacturing companies. Approximately 3,000 acres of prime industrial land is available and fully served by utilities and proximate to the Union Pacific Dallas Intermodal Facility, I-45, I-20 and I-35E. High-capacity electric lines are adjacent to many of these sites, and Atmos has completed a superior gas service for the area. Besides this, Lancaster has enough water and wastewater capacity available to attract manufacturing companies that utilize water in their manufacturing processes.

The market for U.S. manufacturing is strong. Lancaster is also a great place for manufacturing companies to locate, with around 75% of the Dallas-Fort Worth labor force within a 30-minute commute and customized workforce training available at the Cedar Valley Campus of Dallas College for local firms. The city bureaucracy is not so big, though, that permits and inspections take months to complete or so small that all permitting services are outsourced.



Staff is working hard to make people aware that Lancaster is a great place to do business. Another pro on the list is Lancaster's B-rated school system. It's one of the few in the state with a K-12 STEM program, and it has a 99% graduation rate.

Economic Development efforts currently center on attracting companies with higher skilled jobs. Approximately 85% of Lancaster residents currently

work outside the city, but the addition of DSV Logistics and manufacturing facilities like Niagara Bottling and McKinley Packaging are starting to attract locals to work in town.

Tech is also beginning to expand efforts in Lancaster. Kodiak Robotics is a great example. The company moved from California to Lancaster because of its logistical advantages and availability of workforce, and things are going well. They are expanding operations as quickly as they can receive new trucks to retrofit with their equipment. Waymo is also opening a facility in Lancaster.

In addition to the other advantages—highway access, proximity and rail connections to Union Pacific's Dallas Intermodal facility, and workforce development programs, to name a few—the impact of the move of two large Walmart facilities to town is having a great impact. Manufacturing companies that are Walmart suppliers enjoy the ability to locate a plant close to the Walmart fulfillment center or the large cold storage facility located in Lancaster.

The amount of industrial space in Lancaster will keep expanding rapidly in the next ten years. Even at our current rate of land absorption, it will take 15-25 years to fully develop the land zoned for manufacturing and distribution in town. Approximately 3,000-acres land can accommodate another 40,000,000 square feet of industrial development.

Lancaster contains some beautiful residential development as well, especially homes in the Ten Mile Creek area and near the historic Town Square. Much of the Town Square buildings date to the early 1900s, and despite the large industrial areas in town, the historic charm of the surrounding residential areas helps maintain Lancaster's small-town feel.