

California Manufacturing Growth Spurs Industrial Sector

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The US economy may be experiencing slow growth but that doesn't mean there aren't positive signs in certain sectors. The industrial sector in California is one area that offers signs of potential future growth. That's the conclusion drawn by the authors of a recent [survey](#) on commercial real estate, which focused on vacancy rates.

Jerry Nickelsburg, a Senior Economist with UCLA Anderson Forecast, one of the partners involved in the survey, reports that a "significant portion of our panel has indicated that they or their associates are going to begin new projects in the next twelve months."

As for Southern California, forty-five percent (45%) of survey panelists expect to begin new industrial space development during that time period.

Surveys, such as the one noted above, gauge sentiment and are seen as valuable indicators of future economic activity.

Currently, ninety-six percent (96%) of industrial space in Los Angeles and Orange counties is occupied, a fact which reinforces the survey's finding. Industrial space is comprised of both manufacturing and warehousing.

A separate [report](#) from the UCLA Anderson School Forecast, forecasts employment growth in the state of California will be 1.9%, 1.8% and 2.5% in 2012, 2013 and 2014, leading to payroll growth of 1.6%, 1.8% and 2.4% for the three forecast years.

Growth in the manufacturing sector, coupled with gradual growth in overall employment and payrolls, is welcome news for Southern California businesses looking for new opportunities.

Proposed changes to zoning requirements in Burbank and Los Angeles may also spur new industrial growth, as noted in our prior articles:

[Zoning Change to Support Tech Manufacturing Proposed By LA City Council Member](#)

[Simplified Zoning Regulations Proposed In Burbank, Or Are They?](#)

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