

INDUSTRIAL REPORT

Spring 2019

Firing On All Cylinders

Yardi® Matrix

Booming E-commerce Drives Heated Demand



OVERVIEW

- The overall vacancy rate continued to decline to a new historic low of 4.8% at the end of 2018.
- E-commerce sales increased 14.2% year-over-year, driving the greatest demand for new industrial product and product near dense urban clusters.
- Nearly 60 million square feet of industrial space was delivered in the U.S. in the final quarter of 2018, bringing total annual completions to more than 250 million square feet.
- Total sales volume amounted to \$92 billion in 2018, up 25% year-over-year.

The U.S. industrial real estate market continued to perform throughout the final quarter of 2018, ending another year of remarkable growth largely attributed to healthy business investments and consumers' growing appetite for online spending. Total employment increased by 2.8 million, or 1.9%, in the 12 months ending in December 2018. That was 70 basis points higher than the growth seen in the previous 12-month cycle. Roughly 304,000 jobs were added year-over-year in the trade, transportation and utilities sector, a 1.1% increase that was 65 basis points higher than growth in the year-earlier period.

Image by gehringj/iStockphoto.com; cover image by Dario Egidi/iStockphoto.com