Industrial National Report

August 2026

Data Center Pushback Intensifies

- Pushback against data center development has intensified in recent weeks, as states and localities move to restrict or halt new construction amid growing concerns about the industry's impacts.

- Backlash to data center development has been driven by a myriad of reasons, from concerns over their impact on resource consumption and utility bills to tax breaks and pollution. A recent Gallup poll found that 70 percent of Americans would strongly or somewhat oppose construction of a data center in their area. These concerns have sparked a range of responses from communities, voters, and policymakers. States have enacted or proposed data center moratoriums, and irate residents have packed town halls. Opposition has also reached the ballot box, where local elected officials have been voted out of office or forced to abandon projects in the face of mounting public pressure.

- Data center backlash is not driven by partisan politics, but is rather emerging across the political spectrum. Several large states have enacted moratoriums, including New York, where Gov. Kathy Hochul approved a one-year moratorium on hyperscale data center development while regulators develop a framework to address the industry's impacts. Pennsylvania and Texas recently joined the growing number of states to enact or propose moratoriums on data centers.

- Gov. Greg Abbott's proposed moratorium in Texas was perhaps the most eyebrow-raising recent development. The state's reputation for being business friendly is well earned, and after years of aggressively courting investment, it has by far the nation's largest pipeline for data center construction. Yet amid growing concerns and resident uproar, Abbott directed a halt to new approvals until regulators complete a comprehensive audit of projects seeking connection to the state's electric grid.

- We anticipate that transparency will become fundamental to get buy-in for future data center projects. Communities are rarely given clear information about resource usage and other impacts of building a facility in their area. One key reason Abbott cited for the audit was that less than one-third of data centers responded to a survey meant to gauge water and power usage. The industry's reluctance to share basic operational information has fueled public skepticism. Developers have an opportunity to embrace greater transparency as a way to build credibility with residents and demonstrate that new projects can be developed responsibly.

Rents and Occupancy: Solid Growth in Tampa

- National in-place rents for industrial space averaged $9.25 per square foot in July, up five cents over the previous month and 5.4% over the past 12 months.
- Atlanta regained its top spot for in-place rent growth, with rates increasing 7.9% over the last twelve months. Miami (7.4%) and Dallas (7.3%) continued their solid rent growth performance in the month as well.
- Tampa has seen strong in-place rent growth in recent quarters, with rates growing 7.0% over the last twelve months. The market's strength is supported by its central location in one of the nation's fastest-growing states, access to transportation infrastructure, and Florida's largest port. We expect rental rates in the market to continue solid growth in the near to medium term, as the new construction pipeline has slowed. Currently 2.9 million square feet (1.0% of stock) are under construction. When planned properties are included, the pipeline only grows to 2.4% of stock.
- The national vacancy rate in July was 9.3%, an increase of 20 basis points over the past year. The vacancy spike that resulted from a historic supply wave is largely over, though vacancies in some markets continue to rise as a new phase of the supply-and-demand equilibrium takes hold.
- The premium for a new lease continues to shrink. The national average price for a lease signed in the last twelve months is just 81 cents per square foot higher than the average for all leases. This spread sat above $2 per foot for much of the early 2020s, but has continuously shrunk over the last 5 quarters.

Average Rent by Metro

Market	Jul-26 Average Rent	12-Month Change	Avg Rate Signed in Last 12 Months	Vacancy Rate
National	$9.25	5.4%	$10.06	9.3%
Atlanta	$6.99	7.9%	$8.75	8.5%
Miami	$14.01	7.4%	$17.05	10.6%
Dallas–Ft Worth	$7.09	7.3%	$9.38	9.4%
New Jersey	$12.86	7.3%	$14.61	8.0%
Inland Empire	$12.49	7.2%	$12.87	8.7%
Tampa	$9.30	7.0%	$10.19	9.8%
Cincinnati	$5.79	6.2%	$6.92	7.0%
Philadelphia	$9.05	6.0%	$9.66	10.4%
Indianapolis	$5.65	5.8%	$6.24	5.7%
Bridgeport	$10.42	5.8%	$13.25	7.1%
Nashville	$7.06	5.7%	$9.12	5.5%
Houston	$7.49	5.6%	$8.76	6.4%
Boston	$12.46	5.4%	$14.27	9.9%
Bay Area	$14.88	5.4%	$14.25	9.3%
Charlotte	$8.10	5.3%	$9.04	12.3%
Baltimore	$9.70	5.2%	$10.85	10.4%
Columbus	$5.85	5.0%	$6.21	7.8%
Seattle	$13.00	5.0%	$14.12	13.3%
Phoenix	$10.36	4.9%	$11.55	8.3%
Los Angeles	$16.02	4.8%	$15.32	9.7%
Chicago	$6.87	4.7%	$7.52	11.0%
Central Valley	$7.18	4.5%	$8.49	14.5%
Kansas City	$5.22	4.4%	$4.91	6.7%
Twin Cities	$7.77	4.3%	$7.97	9.9%
Portland	$10.81	4.1%	$11.07	12.1%
Orange County	$18.03	3.6%	$16.63	6.7%
Memphis	$4.50	3.4%	$4.31	11.3%
St. Louis	$5.45	3.0%	$4.58	7.6%
Detroit	$7.63	2.6%	$8.01	7.9%
Denver	$9.75	1.8%	$8.97	12.3%

Source: Yardi Matrix. Data as of July 2026. Rent data provided by Yardi Market Insight. National rent and occupancy data is a weighted average of the top 30 markets.

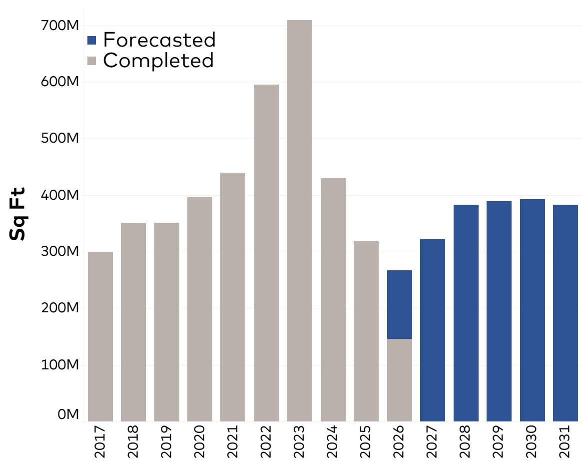
Supply:
Massive Plant Coming to North Carolina

- Currently, 427.6 million square feet of industrial space (2.0% of stock) are under construction nationally.

- Industrial starts have been increasing since hitting the trough in 2024, when 304.1 million square feet of new space began construction. In 2025, that number rose to 333.1 million square feet. Through July 2026, Yardi Matrix logged 180.6 million square feet of starts. Given a lag in the collection of some data, we anticipate that total starts in 2026 will increase for the second year in a row.

- The top three markets for industrial starts so far this year are the usual suspects, with Phoenix (18.1 million square feet), Dallas (15.9 million) and Houston (9.9 million) leading the way. What may come as a surprise is Winston-Salem—Greensboro, which has tallied 9.2 million square feet of new construction, the fourth largest volume in the U.S. While the top three markets are driven by a diverse array of projects, Winston-Salem—Greensboro reached its spot thanks to JetZero's 8 million-square-foot, 600-acre manufacturing plant in Greensboro that broke ground in June.

National New Supply Forecast



Source: Yardi Matrix. Data as of July 2026

Supply Pipeline (by metro)

Market	Under Construction	Under Construction % Stock	UC Plus Planned % Stock
National	427,645,306	2.0%	3.8%
Phoenix	30,840,307	6.8%	16.4%
Columbus	11,846,779	3.5%	5.2%
Dallas	33,714,953	3.2%	5.7%
Houston	21,660,868	3.1%	4.9%
Denver	8,468,023	2.9%	4.7%
Atlanta	17,084,241	2.8%	4.0%
Nashville	6,393,365	2.8%	4.0%
Bridgeport	5,485,576	2.5%	2.8%
Indianapolis	8,114,894	2.1%	4.1%
Central Valley	8,065,351	2.1%	5.6%
Charlotte	7,563,074	2.1%	4.5%
Baltimore	4,406,787	1.9%	2.8%
Inland Empire	12,211,510	1.8%	3.1%
New Jersey	10,257,558	1.7%	3.0%
Portland	3,463,972	1.7%	1.9%
Twin Cities	5,561,644	1.6%	3.0%
Memphis	4,508,551	1.5%	5.1%
Detroit	8,529,204	1.4%	2.0%
Philadelphia	6,711,101	1.4%	3.1%
Bay Area	4,270,527	1.4%	2.4%
Chicago	14,249,817	1.3%	2.7%
Kansas City	3,328,246	1.1%	2.2%
Cleveland	4,123,513	1.0%	1.4%
Tampa	2,913,530	1.0%	2.4%
Boston	2,502,056	1.0%	2.1%
Seattle	1,927,731	0.6%	1.2%
Los Angeles	3,513,928	0.5%	1.8%
Cincinnati	1,579,200	0.5%	0.9%
Orange County	500,299	0.3%	0.7%

Source: Yardi Matrix. Data as of July 2026

Economic Indicators:
Producer Prices Cool but Remain Elevated

- Wholesale prices were flat in July, according to the Bureau of Labor Statistics. Final demand in the Producer Price Index (PPI) was unchanged over June, with goods dropping 0.2% while services increased 0.7%. Despite the slowing of price increases in the month, the gains in the PPI over the last year remain a cause for concern. On an annual basis, the final demand index increased 4.7%, with goods up 6.4% while services grew 3.9%.

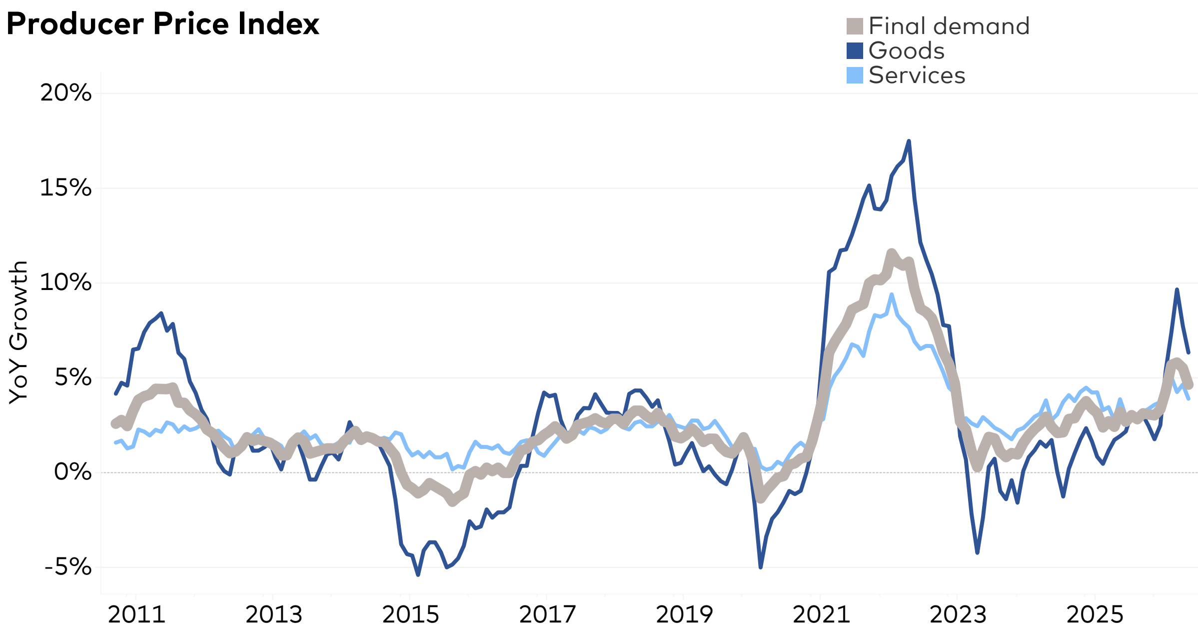
- The PPI saw only minor increases in the wake of tariffs last year, but the oil price shock has been a different story. Year-over-year increases in final demand went north of 4.0% in March for the first time since early 2023 and peaked at 5.8% in May. The slowing of the index in the last two months is welcome news for both the industrial sector and the economy as a whole. If producer price increases return in coming months, concerns about inflation and broader economic growth are likely to intensify, leading to new pressures on supply chains and industrial operators.

Economic Indicators

National Employment (July) 158.9M 0.0% MoM 0.2% YoY ▲	**ISM Purchasing Manager's Index** (July) 55.6 2.3 MoM ▲ 7.2 YoY ▲
Inventories (June) $2,740.2B 0.0% MoM 3.0% YoY ▲	**Imports** (June) $309.0B -2.5% MoM ▼ 16.7% YoY ▲
Core Retail Sales (July) $562.3B -0.2% MoM ▼ 4.8% YoY ▲	**Exports** (June) $206.9B -1.9% MoM ▼ 15.5% YoY ▲

Sources: Bureau of Labor Statistics, Institute for Supply Management, U.S. Census Bureau, Bureau of Economic Analysis, Moody's Analytics

Producer Price Index



Sources: U.S. Bureau of Labor Statistics, Yardi Matrix

Transactions:
Iconic Brewery Closes in New Jersey, Site to be Redeveloped

- Yardi Matrix logged $50.1 billion in industrial transactions through July, with properties trading at an average of $140 per square foot.

- The national average sale price has grown over the last four quarters following years of little movement. Between the start of 2022 and the third quarter of 2025, the quarterly average price of an industrial property hovered between $114 and $127 per square foot. Since the fourth quarter of 2025, prices have averaged more than $145 per foot nationally.

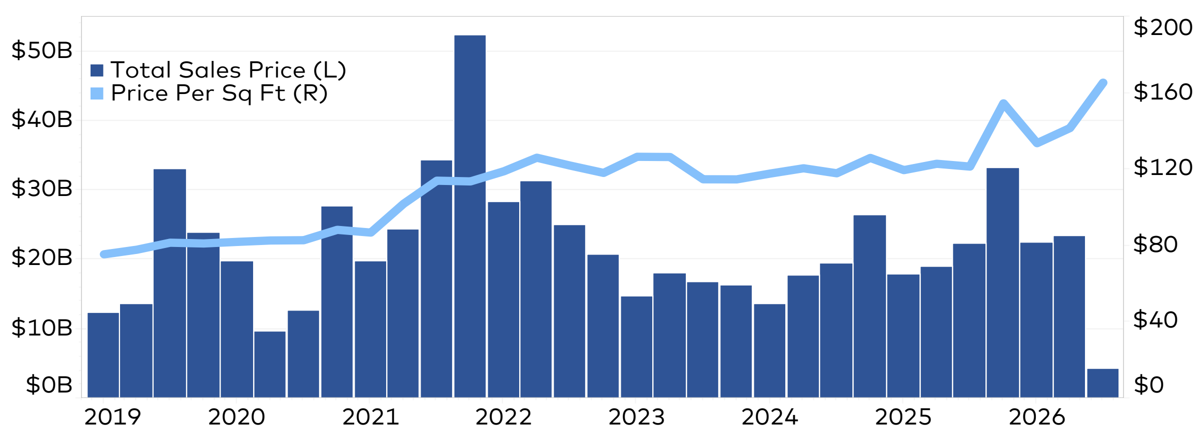
- While the national average is up, one of the country's largest industrial markets has seen sale prices slip. New Jersey's sale price is $184 per foot so far this year, which would be its lowest mark since 2020. Yet this is largely due to the largest-volume sale in the market weighing down the average. Anheuser-Busch sold its shuttered Newark brewery to Goodman Group for $360 million, which equates to $112 per foot. Goodman plans to redevelop the 87-acre site, which is located in one of the country's top logistics corridors and offers proximity to Newark Liberty International Airport, Port Newark-Elizabeth Marine Terminal, and a dense population. The site also was attractive due to its zoning flexibility, supporting potential uses ranging from logistics and data centers to hospitality.

Sales Activity

Market	YTD Sales Price PSF	YTD 2026 Sales (Mil)
National	$140	$50,133
Dallas	$156	$3,931
Chicago	$97	$2,555
Los Angeles	$295	$2,508
Houston	$105	$2,269
Seattle	$244	$2,180
Atlanta	$121	$2,002
Phoenix	$158	$1,938
New Jersey	$184	$1,752
Inland Empire	$156	$1,619
Bay Area	$322	$1,495
Philadelphia	$148	$1,373
Orange County	$279	$1,188
Denver	$131	$854
Boston	$222	$770
Charlotte	$140	$748
Columbus	$110	$741
Indianapolis	$93	$653
Twin Cities	$85	$595
Kansas City	$96	$559
Detroit	$90	$555
Portland	$213	$524
Nashville	$120	$520
Tampa	$135	$506
Baltimore	$139	$493
Memphis	$92	$431

Source: Yardi Matrix. Data as of July 2026

Quarterly Transactions



Source: Yardi Matrix. Data as of July 2026

Definitions

Yardi Matrix collects listing rate and occupancy data using proprietary methods.

- Average Rents—Provided by Yardi Market Insight, a cutting-edge service that uses anonymized and aggregated data from other Yardi platforms to provide the most accurate rental and expense information available.
- Vacancy—The total square feet vacant in a market, including subleases, divided by the total square feet of office space in that market. Owner-occupied buildings are not included in vacancy calculations. Also provided by Yardi Market Insight.

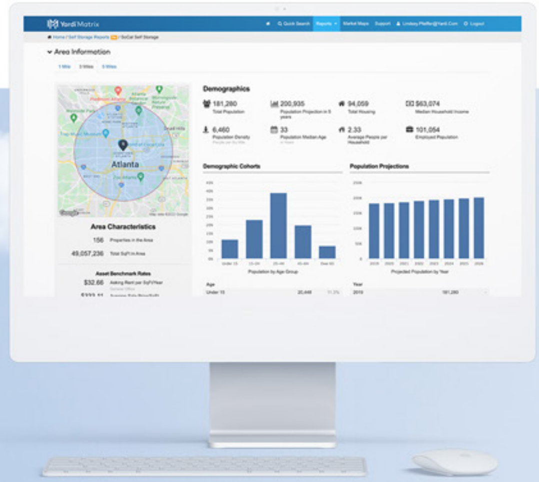
Stage of the supply pipeline:

- Planned—Buildings that are currently in the process of acquiring zoning approval and permits but have not yet begun construction.
- Under Construction—Buildings for which construction and excavation has begun.

Sales volume and price-per-square-foot calculations for portfolio transactions or those with unpublished dollar values are estimated using sales comps based on similar sales in the market and submarket, use type, location and asset ratings, sale date and property size.

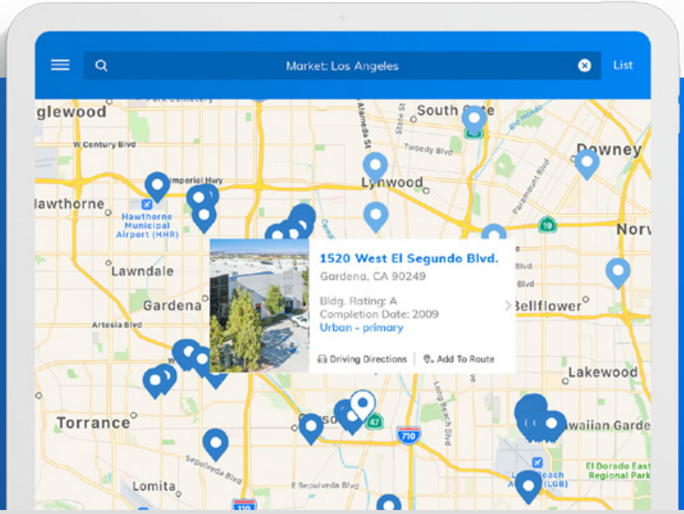
Yardi Matrix

Power your business with the industry's leading data provider



INDUSTRIAL KEY FEATURES

- Active in 118 markets across the U.S., covering over 16 billion square feet
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Pierce the LLC with true ownership and contact info at the asset and portfolio levels
- Gain new supply pipeline information at the asset, competitive set and market levels
- Anonymized transacted rents and expense comps



Yardi Matrix Industrial delivers comprehensive property-level data, allowing you to make informed business decisions faster than ever.

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