



Yardi Matrix

Industrial National Report

September 2026



Industrial Moves Towards Balance

- The industrial market continues its transition from the post-pandemic supply boom to a more balanced phase, but market performance remains uneven geographically.
- Demand for industrial space has remained solid through a variety of headwinds in recent years. Tariffs, economic uncertainty and a spike in energy prices have all created challenges for occupiers, yet the sector has remained resilient as firms continue to invest in distribution networks and supply-chain resiliency. E-commerce continues to grow and account for an increasing share of retail sales, driving demand for logistics space and offsetting some of the softness in other areas of the economy.
- On the supply side, developers have continued to build new industrial space, but they are far more disciplined than they were coming out of the pandemic. Rising capital and construction costs, slowing rent growth and increasing vacancies have all led to a pullback in speculative development in recent years. The pullback was inevitable after 1.5 billion square feet of space were started between 2020 and 2022, creating the largest supply boom in the sector's history. New supply no longer outpaces demand at a rapid clip, and the trough for new development appears to have already passed. Yardi Matrix has logged 230 million square feet of starts so far in 2026, putting this year on pace to have the most square feet break ground since 2022.
- While the national picture is approaching balance, performance continues to vary considerably across markets. Sun Belt markets like Dallas, Phoenix, Atlanta and Houston have continued to perform well, with solid rent growth and modest vacancy increases despite having historic supply waves. Coastal port markets, which sported red-hot rent growth and minuscule vacancy rates a few years ago, are now firmly tenant markets. Despite container volumes remaining solid historically, the supply boom has still yet to be fully absorbed in most of these markets.
- We anticipate that industrial markets will continue to be bifurcated in the coming quarters. The uncertain future of the U.S.-Mexico-Canada trade agreement and the broader brewing trade war with Canada could have significant localized impacts. Markets that are tied to cross-border manufacturing—especially automotive production, metals and intermediate goods—could face the greatest difficulties. Sustained high energy prices could reemphasize the importance of location, increasing the value of properties close to ports and other key logistics hubs.



Rents and Occupancy: Supply Boom Weakens Seattle Fundamentals

- National in-place rents for industrial space averaged \$9.31 per square foot in August, up six cents over the previous month and 5.4% over the past 12 months.
- Atlanta continues to lead top markets in in-place rent growth, with rents increasing 7.9% over the past 12 months. New Jersey and Miami both had growth of 7.6% over the period, while Dallas was at 7.5%.
- Seattle has seen vacancies spike and rent growth soften in the past two years, as the market wrestles with the impact of a supply boom. In-place rents are up 4.5% over the past 12 months, while the vacancy rate has increased 500 basis points and sits at 13.6%. Since the start of 2020, 44.2 million square feet of new space have been delivered, representing 14.1% of stock. The market will have time to absorb space from the boom, because a slowdown is underway. Only 1.1 million square feet of construction have been started so far in 2026, and just 1.2 million square feet currently are in the planning stages.
- The national vacancy rate was 9.3% in August, unchanged from the previous month and up 60 basis points over the past year.
- The premium for a new lease has fallen in the past two years. The average for a lease signed over the past 12 months was \$10.19 per foot, 88 cents more than the market average for all in-place rents. A year ago, that spread was \$1.43 per foot and two years ago it sat at \$2.45. Despite the narrowing national gap between a new lease and average in-place rents, some markets have continued to see large premiums. Bridgeport had the largest spread, with a new lease costing \$3.52 more per foot than the market average. Boston (\$3.02 more per foot), Miami (\$2.97), Nashville (\$2.52) and Dallas (\$2.33) were the only other large markets with a spread above \$2 per foot.

Average Rent by Metro

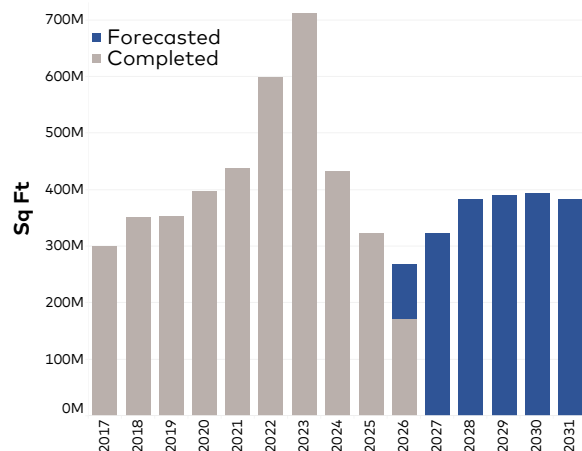
Market	Aug-26 Average Rent	12-Month Change	Avg Rate Signed in Last 12 Months	Vacancy Rate
National	\$9.31	5.4%	\$10.19	9.3%
Atlanta	\$7.07	7.9%	\$8.81	8.7%
New Jersey	\$13.04	7.6%	\$14.74	6.3%
Miami	\$14.10	7.6%	\$17.07	10.7%
Dallas	\$7.19	7.5%	\$9.52	8.8%
Philadelphia	\$9.29	7.2%	\$11.15	10.9%
Tampa	\$9.38	7.0%	\$10.18	11.7%
Inland Empire	\$12.54	6.6%	\$13.03	10.1%
Indianapolis	\$5.65	6.0%	\$6.81	5.5%
Nashville	\$7.29	6.0%	\$9.81	5.7%
Cincinnati	\$5.81	5.8%	\$6.27	7.4%
Boston	\$12.62	5.6%	\$15.64	12.3%
Bridgeport	\$10.71	5.5%	\$14.23	6.1%
Baltimore	\$9.73	5.4%	\$11.07	11.7%
Phoenix	\$10.36	5.3%	\$11.24	7.8%
Kansas City	\$5.25	5.2%	\$4.71	6.8%
Houston	\$7.54	5.2%	\$8.78	6.4%
Charlotte	\$7.97	5.1%	\$9.09	11.1%
Bay Area	\$15.29	5.0%	\$16.56	9.1%
Central Valley	\$7.10	4.9%	\$8.36	12.6%
Los Angeles	\$15.97	4.7%	\$15.47	9.7%
Seattle	\$13.35	4.5%	\$13.32	13.6%
Portland	\$10.88	4.5%	\$11.15	12.4%
Chicago	\$6.87	4.4%	\$7.43	11.5%
St. Louis	\$5.48	4.0%	\$4.77	8.2%
Columbus	\$5.77	4.0%	\$5.90	7.5%
Twin Cities	\$7.88	3.8%	\$7.95	10.4%
Orange County	\$18.09	3.5%	\$16.02	6.8%
Memphis	\$4.52	3.0%	\$4.30	10.0%
Detroit	\$7.66	2.7%	\$7.57	8.2%
Denver	\$9.76	2.1%	\$8.60	12.1%

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

Supply: Development of Large Properties Grows

- Currently, 446.9 million square feet of industrial space (2.1% of stock) are under construction nationally.
- One of the defining trends for industrial in 2026 is the sector becoming differentiated by size. While some segments continue to face soft demand, the market for large facilities has strengthened considerably, driven by the growing need for bulk logistics space. In 2024, just 30 properties exceeding 1 million square feet broke ground, a figure that increased modestly to 37 in 2025. This year, 49 such properties broke ground through August, putting 2026 on pace for the highest number of million-plus-square-foot starts since 2022.
- The continued growth of e-commerce has been a major factor behind bulk developments, but other segments have also driven demand. Third-party logistics and manufacturing firms are increasingly looking for large facilities, while the adoption of automation necessitates more physical space than traditional warehouses. So far in 2026, facilities larger than 1 million square feet have accounted for more than 32% of all starts by square footage, the highest share for such facilities since 2020.

National New Supply Forecast



Source: Yardi Matrix. Data as of August 2026

Supply Pipeline (by metro)

Market	Under Construction	Under Construction % Stock	UC Plus Planned % Stock
National	446,886,200	2.1%	3.8%
Chicago	17,084,835	1.5%	2.6%
Dallas	37,275,731	3.5%	5.9%
Los Angeles	3,372,002	0.5%	1.8%
Houston	21,810,529	3.1%	4.9%
Inland Empire	10,957,182	1.6%	2.7%
Detroit	8,539,113	1.4%	2.0%
New Jersey	8,446,017	1.4%	2.7%
Atlanta	17,095,958	2.8%	4.0%
Philadelphia	7,884,586	1.6%	3.2%
Phoenix	31,090,744	6.8%	14.0%
Cleveland	4,016,375	1.0%	1.5%
Indianapolis	9,609,541	2.4%	4.6%
Central Valley	9,737,706	2.6%	5.9%
Twin Cities	6,003,644	1.7%	3.0%
Charlotte	10,173,657	2.9%	5.2%
Columbus	14,035,940	4.2%	6.4%
Kansas City	4,449,353	1.4%	2.5%
Seattle	2,900,403	0.9%	1.2%
Bay Area	3,845,111	1.2%	2.4%
Memphis	4,382,551	1.4%	5.0%
Cincinnati	279,200	0.1%	0.4%
Denver	8,529,997	3.0%	4.8%
Tampa	2,368,029	0.8%	1.6%
Boston	2,909,612	1.1%	2.1%
Nashville	6,909,963	3.0%	3.9%
Baltimore	5,305,787	2.3%	3.1%
Bridgeport	5,528,076	2.5%	3.3%
Portland	3,411,027	1.6%	1.9%
Orange County	260,983	0.1%	0.7%

Source: Yardi Matrix. Data as of August 2026

Economic Indicators: E-commerce Hits New High

- E-commerce sales totaled \$340.2 billion in the second quarter, an increase of 3.8% over the first quarter and 12.2% year-over-year, according to the Census Bureau.
- E-commerce's share of retail hit an all-time high in the second quarter, accounting for 20.2% of core retail sales. This is slightly higher than the 20.0% share seen in the second quarter of 2020, when the pandemic drove many consumers online. After the initial spike, the share dropped for the first time on record, then stagnated for five years. Since the start of last year, however, e-commerce's share of core retail has returned to steady growth, with the second quarter marking the fifth consecutive quarter of online sales, increasing its share of the retail pie. The steady growth is a welcome sign for the industrial sector. Estimates place online sales as requiring three times as much logistics space dollar-for-dollar as traditional brick-and-mortar sales. E-commerce will continue to be a long-term demand driver for industrial real estate.

Economic Indicators

National Employment

(August)
159.1M
0.1% MoM ▲
0.4% YoY ▲

ISM Purchasing Manager's Index

(August)
54.6
-1.0 MoM ▼
5.7 YoY ▲

Inventories

(July)
\$2,764.7B
0.8% MoM ▲
3.8% YoY ▲

Imports

(July)
\$320.6B
3.7% MoM ▲
13.7% YoY ▲

Core Retail Sales

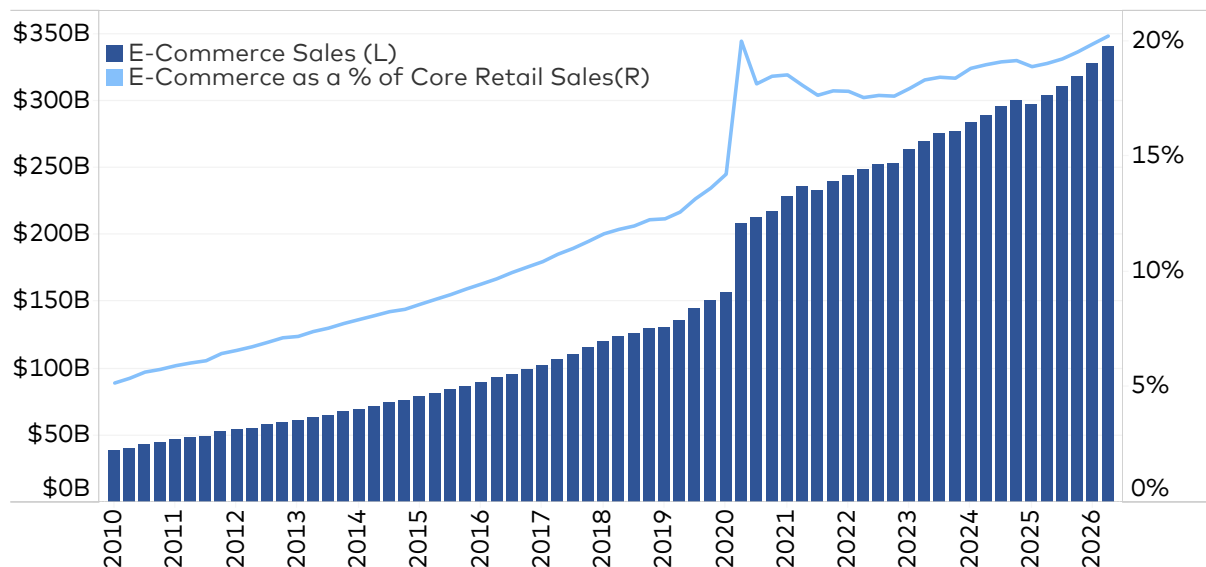
(August)
\$569.3B
1.2% MoM ▲
5.6% YoY ▲

Exports

(July)
\$201.0B
-3.0% MoM ▼
12.1% YoY ▲

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

Quarterly E-Commerce Sales



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

Transactions: Studio Sale Headlines Strong Year for Los Angeles

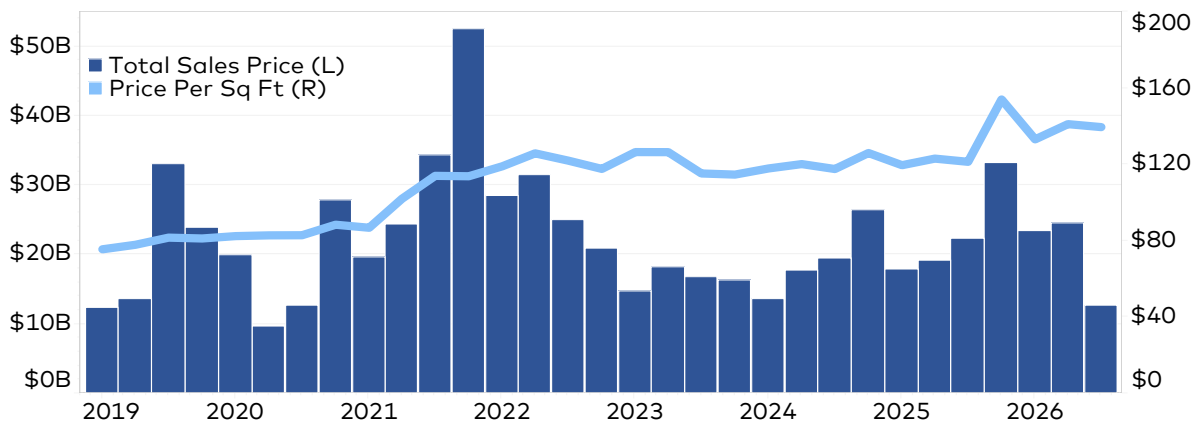
- Yardi Matrix logged \$60.5 billion in industrial transactions through August, with properties trading at an average of \$138 per square foot.
- The average sales price of an industrial property in Los Angeles through August was \$297 per foot, up nearly 9% over 2025 but down from the all-time high of \$320 per foot in 2023.
- While Los Angeles sees much investor activity driven by logistics and the nearby ports, the largest sale in the market this year is a property unique to the region. Netflix paid \$400 million for the foreclosed-on CBS Studio Center in Studio City. The historic studio, where series like Seinfeld and Gilligan's Island were filmed, opened nearly 100 years ago but had recently been seized by banks. The owner, Hackman Group, had struggled with the property in recent years due to the Hollywood strikes in 2023 and a broader shift to production studios owned by media and streaming firms. Netflix, which until recently had leased its production space, represents a large part of this shift to ownership. The company is also building a \$1 billion studio in New Jersey, which will eventually encompass 292 acres and roughly 500,000 square feet of soundstages. It broke ground on the first phase of the project earlier this year.

Sales Activity

Market	YTD Sales Price PSF	YTD 2026 Sales (Mil)
National	\$138	\$60,486
Dallas	\$118	\$4,076
Chicago	\$100	\$3,159
Houston	\$109	\$2,705
Los Angeles	\$297	\$2,641
Atlanta	\$124	\$2,538
Phoenix	\$163	\$2,451
Seattle	\$245	\$2,326
New Jersey	\$182	\$2,055
Bay Area	\$291	\$1,815
Inland Empire	\$161	\$1,809
Philadelphia	\$142	\$1,513
Orange County	\$279	\$1,263
Charlotte	\$141	\$1,226
Columbus	\$109	\$1,069
Indianapolis	\$119	\$1,061
Tampa	\$142	\$1,012
Twin Cities	\$94	\$941
Denver	\$131	\$922
Boston	\$222	\$818
Kansas City	\$97	\$715
Baltimore	\$136	\$661
Memphis	\$75	\$650
Nashville	\$125	\$629
Cincinnati	\$85	\$612
Portland	\$184	\$597

Source: Yardi Matrix. Data as of August 2026

Quarterly Transactions



Source: Yardi Matrix. Data as of August 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.

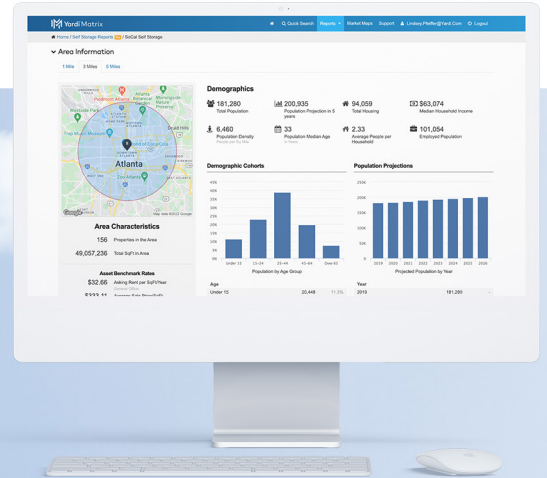
Stage of the supply pipeline:

- **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.

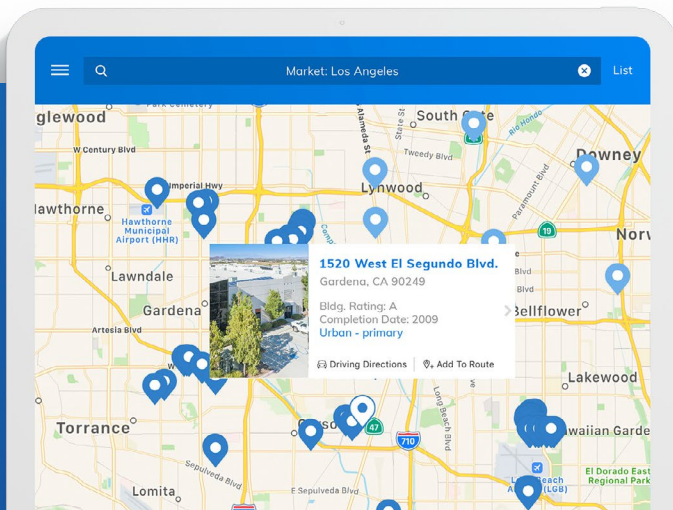


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INDUSTRIAL KEY FEATURES

- 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



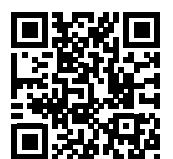
Yardi Matrix Industrial delivers comprehensive property-level data, allowing you to make informed business decisions faster than ever.



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