



Yardi Matrix

# National Industrial Report

January 2026



# 2026: A Turning Point for Industrial?

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- Industrial real estate in 2026 will be shaped by policy uncertainty and an evolving supply pipeline.
- The rapid escalation of tariffs that increased sourcing costs and uncertainty across the industrial sector will continue to play a prominent role in 2026, though we anticipate less volatility, which should allow firms to find more stable footing. At the same time, the U.S.-Mexico-Canada Agreement (USMCA) is due for a review by July, requiring all three countries to approve a 16-year extension. While a failure to extend the USMCA would not end the agreement immediately, it creates a 10-year deadline before termination. As firms are increasingly turning to nearshoring as they reposition supply chains and manufacturing networks, the prospect of a shortened and uncertain trade agreement introduces new risk for long-term planning.
- After record deliveries in 2022 and 2023, the industrial supply pipeline slowed considerably, and 2026 is on track to add the least new product in a decade. This pullback should benefit the sector, as the recent supply glut pushed the national vacancy rate to twice its level of three years ago and 120 basis points higher than at the start of 2025. Vacancies have plateaued in recent months, a trend we expect to continue in the first half of the year before gradually tightening in the second half. As vacancies decline and interest rates continue to ease, the market will find renewed enthusiasm for construction, which we expect to rise in the second half of the year.
- Although overall new construction is expected to increase, site selection is shifting. Proximity to population and transportation networks, once the leading consideration in site selection, is now being matched, and in some cases overtaken, by access to power. Utility prices are rising alongside demand for power-intensive uses like advanced manufacturing and data centers, leading firms to prioritize reliable and cost-efficient energy. A recent survey of supply-chain executives conducted by Prologis found that 89% of respondents experienced energy-related disruptions within the past year and 83% think that energy will be the next crisis for supply chains.
- The data center frenzy will likely continue this year, despite growing concerns about a bubble in AI investment and the aforementioned issues of energy procurement. One area to watch around data center development is growing pushback from communities where new facilities are proposed. Backlash began to emerge across the country last year, with residents citing power and water usage, land consumption and strain on infrastructure—sentiments that could increase in 2026.



# Rents and Occupancy: Strong Growth Continues for Atlanta

- National in-place rents for industrial space averaged \$8.87 per square foot in December, up 11 cents over November and 5.4% over the past 12 months.
- Atlanta held on to the top spot for in-place rent growth, with rates increasing 8.8% over the last 12 months. Demographics and infrastructure continue to fuel Atlanta's steady industrial growth. One of the nation's fastest-growing metros in the past decade, Atlanta is centrally located in the country's fastest-growing region. Its global airport, extensive rail network, multiple interstate connections and proximity to the Port of Savannah make it a premier logistics hub. Atlanta's logistics advantages are also making the market an increasingly attractive location for manufacturers. Chinese firm WinSun recently selected the market for its first U.S. facility, a roughly half-million-square-foot operation projected to bring 100-150 jobs to the area during its initial phase.
- Following Atlanta were Miami (8.4% in-place rent growth over the last 12 months), Tampa (6.7%), Philadelphia (6.7%) and Seattle (6.5%). Midwestern markets continue to lag behind the pack, with St. Louis (2.5%), Kansas City (2.6%) and Detroit (2.7%) seeing the least in-place rent growth among Yardi Matrix's top 30 markets.
- The national vacancy rate was 9.2% in December, an increase of 120 basis points over the past year.
- The gap between the average cost of a new lease and in-place rents increased slightly over the month, but continues to be much lower than in recent years. A lease signed in the past 12 months was \$10.13 per foot, \$1.26 higher than the national average for in-place rents.

## Average Rent by Metro

Market	Dec-25 Average Rent	12-Month Change	Avg Rate Signed in Last 12 Months	Vacancy Rate
National	\$8.87	5.4%	\$10.13	9.2%
Atlanta	\$6.70	8.8%	\$9.01	8.1%
Miami	\$13.41	8.4%	\$17.18	10.7%
Tampa	\$8.71	6.7%	\$12.38	11.1%
Philadelphia	\$8.60	6.7%	\$10.71	8.0%
Seattle	\$12.51	6.5%	\$14.09	9.8%
Dallas-Ft Worth	\$6.77	6.4%	\$8.21	11.1%
Columbus	\$5.49	6.4%	\$4.91	11.8%
Inland Empire	\$11.86	6.4%	\$13.14	8.4%
Houston	\$7.37	6.2%	\$8.94	6.1%
Baltimore	\$9.09	6.1%	\$10.05	9.8%
Bridgeport	\$10.00	6.0%	\$14.94	5.8%
Nashville	\$6.86	5.9%	\$9.15	6.6%
Bay Area	\$14.66	5.8%	\$17.20	7.9%
Orange County	\$17.42	5.6%	\$18.43	8.5%
Boston	\$11.94	5.6%	\$16.38	11.0%
Cincinnati	\$5.45	5.4%	\$5.75	8.7%
Phoenix	\$9.86	5.3%	\$10.55	9.7%
Chicago	\$6.57	5.1%	\$7.72	12.4%
Twin Cities	\$7.53	4.9%	\$9.07	8.4%
New Jersey	\$12.06	4.9%	\$14.00	9.1%
Central Valley	\$6.87	4.4%	\$8.59	9.7%
Los Angeles	\$15.54	4.2%	\$14.65	8.5%
Portland	\$10.55	4.1%	\$10.73	9.9%
Denver	\$9.56	4.1%	\$10.03	12.5%
Indianapolis	\$5.29	3.7%	\$5.50	8.7%
Charlotte	\$7.52	3.6%	\$8.26	10.8%
Memphis	\$4.39	3.3%	\$3.79	12.7%
Detroit	\$7.49	2.7%	\$7.82	6.7%
Kansas City	\$5.20	2.6%	\$5.54	4.8%
St. Louis	\$5.28	2.5%	\$5.60	5.9%

Source: Yardi Matrix. Data as of December 2025. Rent data provided by Yardi Market Insight. National rent and occupancy data is a weighted average of the top 30 markets.

# Supply: Texas Leads Nation in Starts in 2025

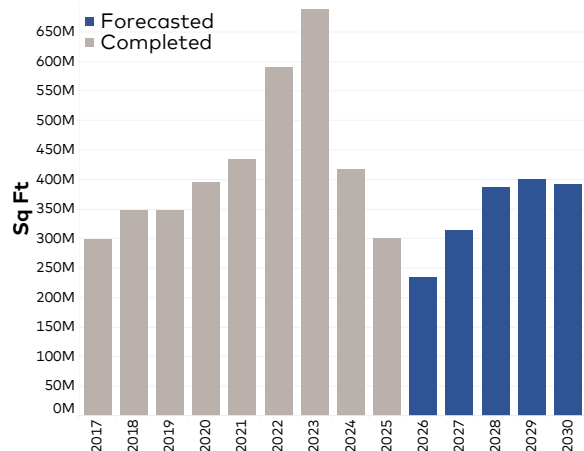
- There are 357.4 million square feet of industrial space (1.7% of stock) under construction. In 2025, 300.1 million square feet were completed, according to Yardi Matrix, although a lag in the collection of some data means that this number will drift upward during the first quarter. Yet when all is said and done, last year will represent the lowest level of national industrial completions since 2017.
- 2026 is forecast to see fewer completions than last year, as construction has continued to decelerate in recent years. In 2025, Yardi Matrix logged 265 million square feet of starts. Like delivery data, this number will also grow in coming months, but it will likely not reach 2024's 300 million square feet of starts.
- Texas was by far the busiest state for industrial development in 2025, largely driven by the nearshoring of manufacturing. Dallas had 24.9 million square feet begin construction while Houston had 23.2 million, combined totaling more than 18% of 2025's starts. Both markets were far ahead of third-place Phoenix's 13.1 million. Austin (5.9 million, 11th most starts) and El Paso (5.6 million, 13th) also saw a high level of starts as a percent of stock.

## Supply Pipeline (by metro)

Market	Under Construction	Under Construction % Stock	UC Plus Planned % Stock
National	357,364,012	1.7%	3.5%
Phoenix	19,877,635	4.5%	12.8%
Columbus	12,410,675	3.7%	5.0%
Dallas	30,114,158	2.9%	5.0%
Denver	8,266,783	2.9%	4.2%
Houston	19,348,044	2.8%	5.8%
Charlotte	8,297,174	2.4%	4.2%
Nashville	4,847,084	2.2%	3.6%
Indianapolis	7,384,490	1.9%	3.0%
Atlanta	10,631,353	1.8%	3.8%
Portland	3,489,054	1.7%	2.1%
Twin Cities	5,588,788	1.6%	2.6%
Seattle	4,606,195	1.5%	1.9%
Baltimore	3,382,369	1.5%	2.2%
Chicago	13,062,947	1.2%	2.5%
Bay Area	3,584,554	1.2%	2.7%
Cincinnati	3,532,142	1.2%	1.5%
Boston	3,107,003	1.2%	2.5%
Central Valley	4,080,254	1.1%	2.5%
Inland Empire	6,913,633	1.0%	3.3%
New Jersey	6,358,168	1.0%	2.2%
Kansas City	3,059,101	1.0%	1.9%
Tampa	2,787,393	1.0%	2.1%
Memphis	2,800,000	0.9%	4.2%
Detroit	5,162,614	0.8%	1.3%
Philadelphia	3,811,740	0.8%	1.6%
Bridgeport	1,569,711	0.7%	2.4%
Los Angeles	4,243,256	0.6%	1.6%
Cleveland	1,951,820	0.5%	0.8%
Orange County	551,834	0.3%	0.7%

Source: Yardi Matrix. Data as of December 2025

## National New Supply Forecast



Source: Yardi Matrix. Data as of December 2025

# Economic Indicators: E-commerce Growth Strong in H2 '25

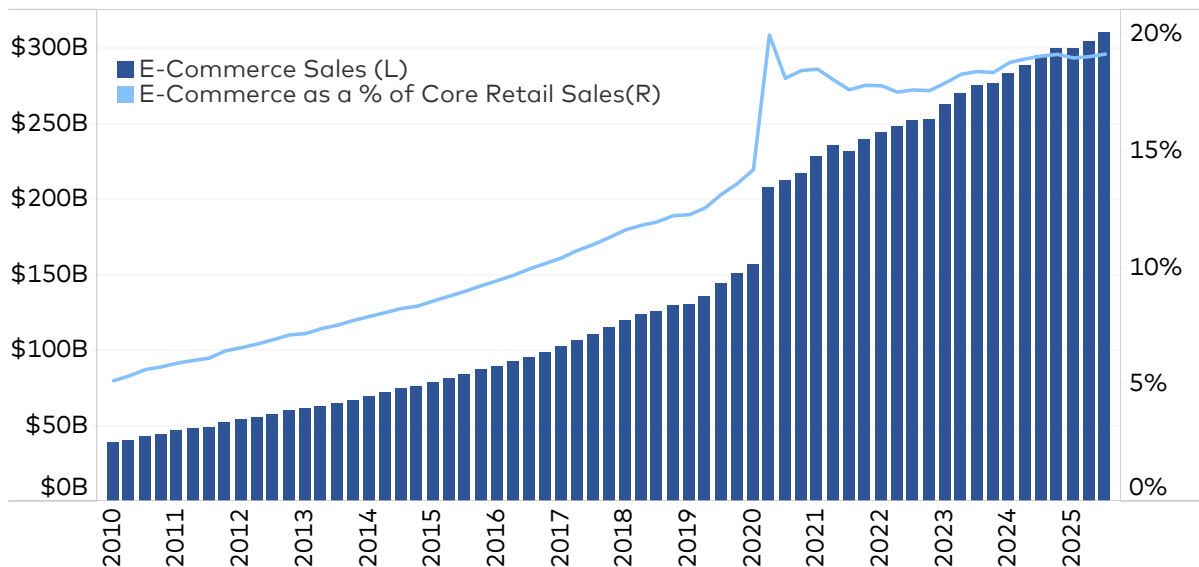
- The recent government shutdown delayed many data series, but most, like e-commerce sales figures, have caught up and are back on schedule. In the third quarter of 2025, e-commerce sales totaled \$310 billion, an increase of 1.9% in the quarter and 5.1% year-over-year. E-commerce sales accounted for 19.2% of core retail sales, the highest mark since the second quarter of 2020. Before the pandemic, e-commerce sales and their share of retail sales both grew at a relatively predictable and consistent pace. Yet since then both figures have been more uneven as consumers, retailers and supply chains adapt to new expectations and inflationary pressures.
- Early private sector data shows e-commerce fared well during the holiday season. Estimates from the National Retail Foundation showed resilient consumer spending, with sales between November 1 and December 31 increasing 4.1% over the same period in 2024. Visa and Mastercard reported similar overall increases, and noted e-commerce grew more than 7% annually.

## Economic Indicators

<b>National Employment</b> (December) 159.5M 0.0% MoM 0.4% YoY ▲	<b>ISM Purchasing Manager's Index</b> (December) 47.9 -0.3 MoM ▼ -1.3 YoY ▼
<b>Inventories</b> (October) \$2,677.8B 0.3% MoM ▲ 1.4% YoY ▲	<b>Imports</b> (October) \$255.0B -4.5% MoM ▼ -5.9% YoY ▼
<b>Core Retail Sales</b> (November) \$544.3B 0.4% MoM ▲ 4.4% YoY ▲	<b>Exports</b> (October) \$195.9B 3.8% MoM ▲ 14.6% 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. Census Bureau, Yardi Matrix

# Transactions: New Jersey Attracts Investors

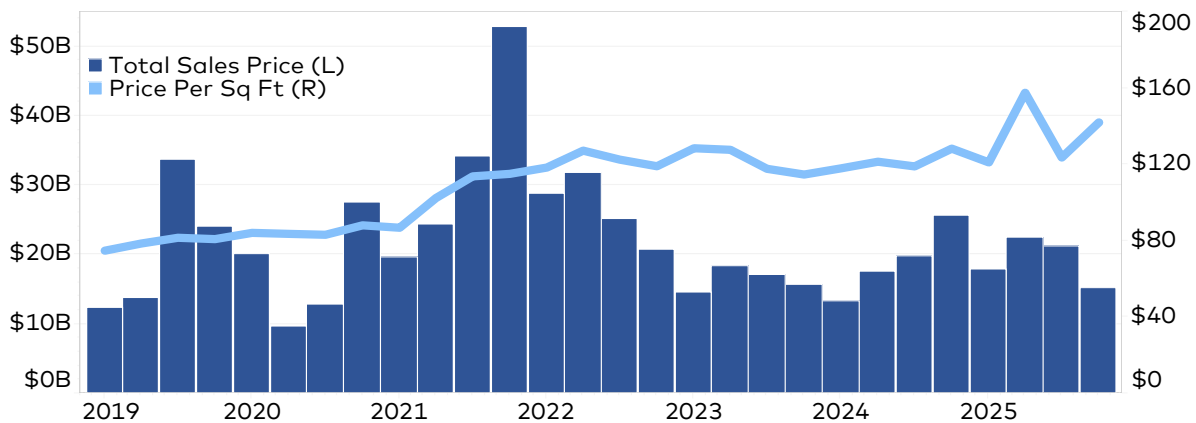
- Industrial transactions totaled \$76.3 billion in 2025, according to Yardi Matrix, remarkably close to 2024's \$76.2 billion. A lag in the collection of some sales data will lead to 2025 increasing its edge and providing the sector its most investment volume since 2022.
- While total volume between 2024 and 2025 is neck and neck, fewer square feet of space traded hands in 2025. The national average sales price of an industrial property last year was \$135 per foot, a 10% increase over 2024.
- New Jersey had a strong year for industrial sales, with total volume increasing 8.5% over 2024, to \$2.79 billion, and the average sales price growing 7.6%, to \$226 per square foot. The market's biggest trade was Prologis' \$166.8 million acquisition of 201 Middlesex Center Blvd., which sits on more than 30 acres and is proximate to Interstate 95. Despite vacancy rate increases and middle-of-the-pack in-place rent growth, New Jersey remains a very attractive location for investors. Proximity to ports, a dense population and a lack of developable land all increase the desirability of properties in the market. Average sales prices in New Jersey have more than doubled since 2019 due to the e-commerce boom driving sustained demand for distribution space near major transportation networks.

## Sales Activity

Market	YTD Sales Price PSF	YTD 2025 Sales (Mil)
National	\$135	\$76,265
Dallas	\$121	\$7,009
Detroit	\$599	\$4,806
Phoenix	\$169	\$3,701
Houston	\$95	\$2,853
New Jersey	\$226	\$2,788
Chicago	\$91	\$2,760
Atlanta	\$132	\$2,526
Los Angeles	\$279	\$2,334
Inland Empire	\$230	\$2,175
Charlotte	\$113	\$2,020
Philadelphia	\$130	\$1,538
Denver	\$144	\$1,575
Seattle	\$209	\$1,518
Twin Cities	\$103	\$1,405
Orange County	\$305	\$1,397
Nashville	\$99	\$1,352
Columbus	\$105	\$1,337
Boston	\$171	\$1,094
Central Valley	\$94	\$1,092
Bay Area	\$244	\$1,067
Indianapolis	\$91	\$916
Tampa	\$123	\$910
Kansas City	\$83	\$826
Baltimore	\$180	\$820
Portland	\$171	\$557

Source: Yardi Matrix. Data as of December 2025

## Quarterly Transactions



Source: Yardi Matrix. Data as of December 2025

# Definitions

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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:

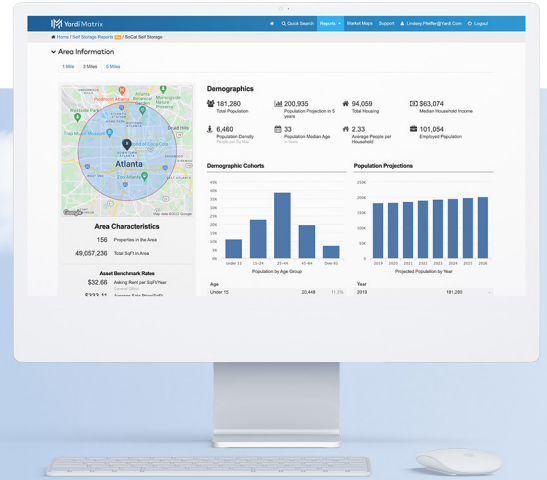
- **Planned**—Buildings that are currently in the process of acquiring zoning approval and permits but have not yet begun construction.
- **Under Construction**—Buildings for which construction and excavation has begun.

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.



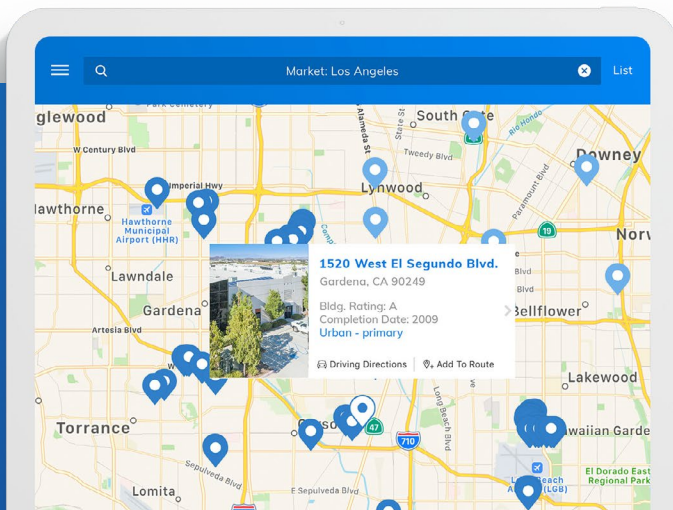
# Yardi Matrix

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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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