Industrial National Report

February 2026

Whiplash Continues at Ports

- Shipping ports in the U.S. endured a turbulent 2025, with rapid changes to trade policy leading to declining container volumes. That uncertainty looks poised to continue in 2026.

- Proposed tariffs of 100% on Chinese-made port cranes were postponed late last year, but the mere prospect has already begun to disrupt investment and upgrade plans. China produces roughly 80% of U.S. port cranes, leaving few viable alternatives. With the large cranes taking two years to deliver, ports remain hesitant to place new orders.

- A January ruling from the Panamanian Supreme Court invalidated the longstanding port-operation concession held by Hong Kong-based CK Hutchison at the Balboa and Cristóbal terminals, citing irregularities in the 2021 extension of the agreement. Danish firm A.P. Moller–Maersk will assume temporary control until a new concession is awarded. The move is widely believed to be beneficial for the U.S., which has been aiming to reduce Chinese influence at the canal. While not much will change at the port in the short term, the long-term implications could be meaningful. Roughly 40% of U.S. containerized imports pass through the canal, and any shift in operations is certain to ripple through supply chains.

- A much more consequential decision for ports was recently made by the U.S. Supreme Court, which issued a ruling that struck down many of the Trump Administration's "Liberation Day" tariffs. The court ruled that the International Emergency Economic Powers Act (IEEPA) does not give the president authority to impose unilateral tariffs, marking a major legal setback for the administration's trade strategy. The administration responded by announcing a global 10% tariff, which was quickly raised to 15%, in an effort to reestablish its trade policy.

- While the ruling may come as a relief to U.S. ports, especially those along the West Coast that handle the bulk of the containers from China and other Asian trading partners, it is yet another twist in a year of tariff-whiplash. Supply chains and logistics rely on stability and certainty, both of which have been in short supply in the past year. While the ruling will help somewhat in that regard, the global tariff and the potential for future tariff maneuvers linger. The aforementioned proposed tariffs on Chinese-made port cranes were not created by the IEEPA, leaving ports still facing increased costs for modernization and upgrades. Further complicating matters, it is not certain whether the Treasury Department will issue refunds on tariffs that have already been paid.

Rents and Occupancy: Rent Growth Solid in Tampa

- National in-place rents for industrial space averaged $8.94 per square foot in January, up seven cents over December and 5.1% over the past 12 months.

- Atlanta continues to lead the way for in-place rent growth, with an 8.0% increase in the past 12 months. That was followed by Miami and Tampa (both 7.4%) and Philadelphia (6.8%).

- Tampa, like many Sun Belt markets, has been driven by strong in-migration from both businesses and residents in recent years, fueling demand for industrial space. The market sports a midsize port, which acts as a key hub in Florida's supply chain, although it is not a major driver of activity like those found along the East Coast. The supply pipeline remained relatively constrained during the boom—partly due to the geographic nature of the state—with 33.6 million square feet delivering between 2020 and 2024 (12.2% of stock). While vacancy rates have spiked in recent quarters, as in most markets, the demand for new and high-quality space has helped drive up in-place rents. The spread between a new lease signed in the past 12 months and the market average for all rents was one of the highest in the nation, at $3.61 per square foot.

- The national vacancy rate was 9.6% in January, an increase of 160 basis points over the past year.

- A lease signed in the past 12 months was $10.07 per foot, $1.13 higher than the national average for in-place rents. The spread between new leases and all leases continues to narrow, as the supply boom and subsequent vacancy spikes have given tenants the upper hand in rent negotiations.

Average Rent by Metro

Market	Jan-26 Average Rent	12-Month Change	Avg Rate Signed in Last 12 Months	Vacancy Rate
National	$8.94	5.1%	$10.07	9.6%
Atlanta	$6.74	8.0%	$9.00	8.4%
Miami	$13.28	7.4%	$16.53	11.4%
Tampa	$8.76	7.4%	$12.37	11.1%
Philadelphia	$8.63	6.8%	$11.49	8.9%
Inland Empire	$12.02	6.7%	$13.00	8.7%
Baltimore	$9.27	6.7%	$10.32	10.9%
Boston	$12.15	6.4%	$15.49	11.4%
Dallas–Fort Worth	$6.84	6.4%	$9.00	11.4%
Seattle	$12.73	6.3%	$13.49	10.0%
Bridgeport	$10.17	6.2%	$15.02	4.5%
Nashville	$6.90	5.8%	$9.15	7.4%
Cincinnati	$5.55	5.7%	$5.54	9.3%
Houston	$7.28	5.5%	$8.83	6.3%
Denver	$9.71	5.4%	$10.84	12.2%
Phoenix	$10.00	5.3%	$10.72	11.0%
Twin Cities	$7.71	5.2%	$7.99	8.8%
Bay Area	$14.85	4.9%	$16.80	9.0%
Indianapolis	$5.40	4.7%	$5.23	8.6%
New Jersey	$12.30	4.3%	$13.65	10.3%
Chicago	$6.60	4.3%	$7.53	12.5%
Portland	$10.53	4.2%	$10.77	9.7%
Charlotte	$7.63	4.1%	$8.24	11.1%
Orange County	$17.51	3.8%	$18.50	8.5%
Los Angeles	$15.58	3.7%	$14.55	9.3%
Central Valley	$6.80	3.7%	$8.78	12.8%
Memphis	$4.40	3.3%	$3.76	10.6%
Detroit	$7.53	2.9%	$7.90	6.8%
Kansas City	$5.14	2.8%	$4.52	5.0%
St. Louis	$5.26	2.3%	$4.43	5.0%
Columbus	$5.50	-0.9%	$5.23	10.2%

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

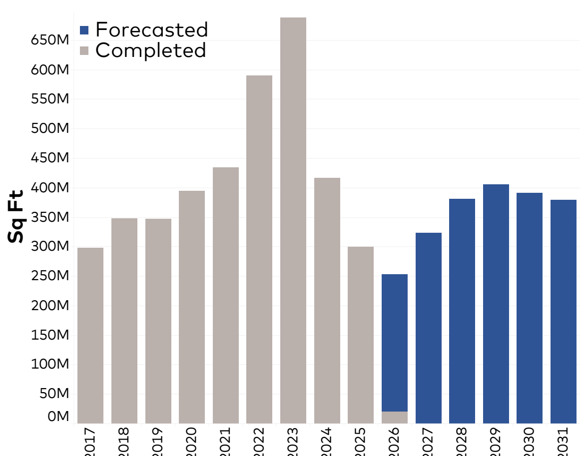
Supply:
Data Center Boom Concentrated in Handful of Markets

- There are 355.7 million square feet of industrial space (1.7% of stock) under construction.

- Massive investment in generative AI from tech firms has led to data center development exploding in recent years. 2025 saw more square footage of data center starts than 2020 through 2022 combined. Yet the boom has been concentrated in just a handful of markets. Of the 30.8 million square feet of data center starts in 2025, 17.6 million were in the top five markets. Washington, D.C., led the way with 6.1 million square feet, followed by Dallas (3.2 million), Phoenix (2.9 million), Atlanta (2.8 million) and Columbus (2.6 million). This was the second consecutive year of these markets leading the data center boom. In 2024, the same five accounted for 20.3 million of the 34.8 million square feet of data center starts.

- Concerns around an AI investment bubble grow, as investors remain wary that long-term demand projections may not fully materialize at the pace assumed in today's underwriting. In the near term, however, demand from hyperscalers remains strong enough to maintain the development boom.

National New Supply Forecast



Source: Yardi Matrix. Data as of January 2026

Supply Pipeline (by metro)

Market	Under Construction	Under Construction % Stock	UC Plus Planned % Stock
National	355,682,096	1.7%	3.4%
Phoenix	18,127,171	4.1%	12.1%
Columbus	12,219,175	3.7%	5.0%
Houston	21,529,273	3.1%	5.7%
Dallas	28,784,003	2.8%	4.9%
Denver	7,880,055	2.8%	4.3%
Charlotte	8,223,974	2.3%	4.4%
Bridgeport	4,519,391	2.1%	3.5%
Nashville	4,024,804	1.8%	3.2%
Atlanta	9,966,283	1.7%	3.7%
Indianapolis	6,359,085	1.6%	2.5%
Twin Cities	5,698,310	1.6%	2.7%
Portland	3,052,639	1.5%	1.9%
Bay Area	4,177,089	1.4%	2.5%
Baltimore	2,996,347	1.3%	2.1%
Chicago	13,588,994	1.2%	2.3%
New Jersey	7,511,403	1.2%	2.3%
Cincinnati	3,532,142	1.2%	1.5%
Boston	3,143,812	1.2%	2.8%
Central Valley	4,080,254	1.1%	3.2%
Inland Empire	6,866,302	1.0%	3.2%
Philadelphia	4,864,688	1.0%	2.7%
Seattle	3,036,946	1.0%	1.2%
Kansas City	2,976,723	1.0%	1.7%
Tampa	2,694,396	1.0%	1.8%
Detroit	5,414,614	0.9%	1.3%
Memphis	2,800,000	0.9%	4.2%
Los Angeles	3,719,760	0.5%	1.6%
Cleveland	2,057,476	0.5%	0.8%
Orange County	664,319	0.3%	0.7%

Source: Yardi Matrix. Data as of January 2026

Economic Indicators:
Producer Prices Jump in December

- Producer prices saw their biggest increase in five months to close out 2025, according to the Bureau of Labor Statistics. The Producer Price Index (PPI) for final demand jumped 0.5% in the month, driven by an increase of 0.7% in the services components of the index. Goods were unchanged. On an annual basis, final demand was up 3.0% year-over-year, with services increasing 3.2% and goods 2.4%

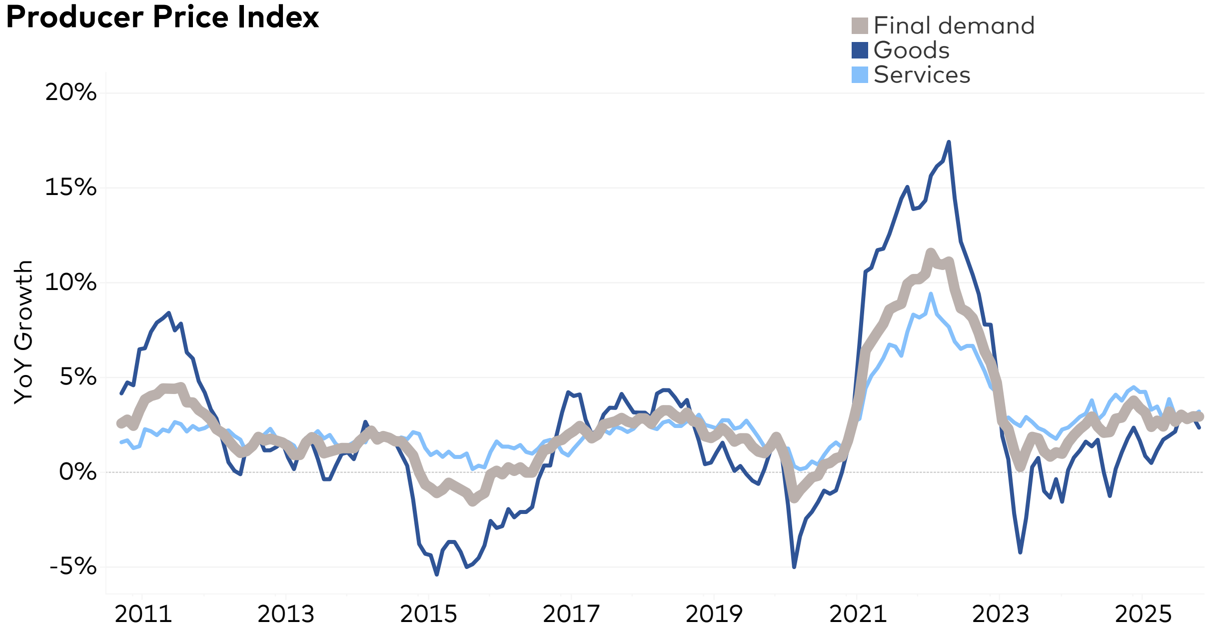
- The PPI for truck transportation provides some insight into the challenges and opportunities the industrial sector faces. In December, this component of the services index was up 6% year-over-year, and it has increased 32% since February 2020. These increases have put substantial pressure on tenant operating costs and margins, helping fuel increases in the more widely followed consumer index. We anticipate that the sustained elevation in trucking and transportation costs will continue to support demand for last-mile facilities, as well as those that enhance efficiency, as firms look to optimize operations and minimize cost pressure.

Economic Indicators

National Employment (January)	ISM Purchasing Manager's Index (January)
158.6M	52.6
0.1% MoM ▲	4.7 MoM ▲
0.2% YoY ▲	1.7 YoY ▲
Inventories (November)	**Imports** (November)
$2,678.3B	$272.5B
0.1% MoM ▲	6.6% MoM ▲
1.2% YoY ▲	-3.5% YoY ▼
Core Retail Sales (December)	**Exports** (November)
$543.1B	$185.6B
0.0% MoM	-5.6% MoM ▼
3.5% YoY ▲	5.2% 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. Census Bureau, Yardi Matrix

Transactions:
Los Angeles Remains Attractive to Investors

- Industrial transactions totaled $4.1 billion in the first month of the year, with properties trading at an average of $166 per square foot.

- Los Angeles has had a quick start to the year, with Yardi Matrix logging 12 transactions totaling $356 million in January.

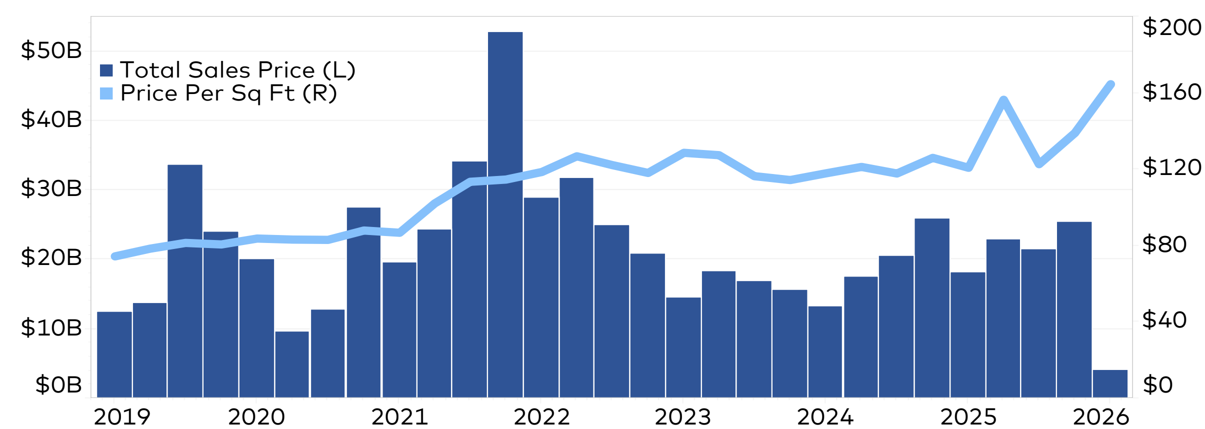
- The biggest transaction of the month was Link Logistics' $123 million sale of a South Bay distribution center. The property was acquired as part of an $18.7 billion portfolio transaction in 2019, when Link bought around 1,300 U.S. logistics properties from Singapore-based GLP. The portfolio transaction obscures the value of the property in 2019, but it is worth noting that GLP purchased it in 2013 for $33.6 million, marking a more than threefold price increase in 13 years. Southern California industrial prices have exploded in the past decade. Activity at the ports of Los Angeles and Long Beach reached record levels, fueling demand, while land availability constrained supply in Los Angeles and Orange counties. Recent years have been marked by rising vacancies and slower rent growth, driven by a supply boom in the Inland Empire and normalizing demand, but investor interest remains strong. While the average sales price for an industrial property slipped 13% between 2023 and 2025, last year was still up 48% over 2019.

Sales Activity

Market	YTD Sales Price PSF	YTD 2026 Sales (Mil)
National	$166	$4,099
New Jersey	$252	$372
Los Angeles	$315	$356
Bay Area	$391	$266
Phoenix	$159	$213
Orange County	$255	$174
Atlanta	$160	$169
Baltimore	$529	$129
Boston	$184	$117
Chicago	$68	$116
Philadelphia	$343	$95
Denver	$76	$82
Portland	$159	$81
Tampa	$207	$75
Nashville	$127	$55
Detroit	$90	$53
Charlotte	$372	$33
Inland Empire	$244	$32
Cincinnati	$95	$24
Cleveland	$62	$5
Seattle	$0	$0
Houston	$0	$0
Indianapolis	$0	$0
Dallas	$0	$0
Twin Cities	$0	$0
Columbus	$0	$0

Source: Yardi Matrix. Data as of January 2026

Quarterly Transactions



Source: Yardi Matrix. Data as of January 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

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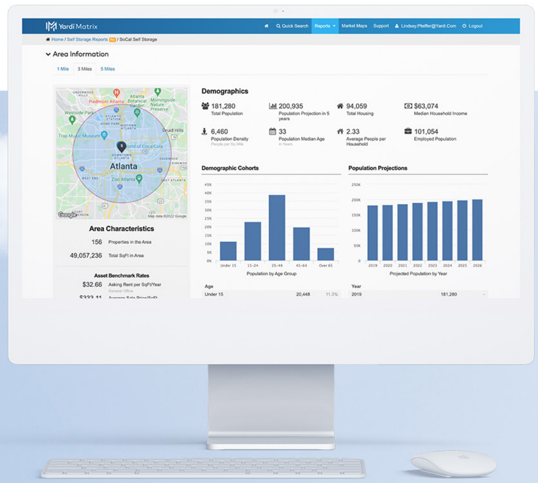
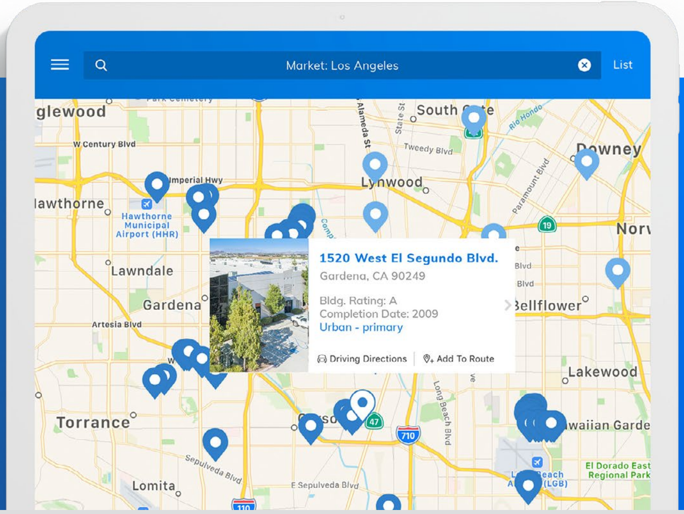


INDUSTRIAL KEY FEATURES

- 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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