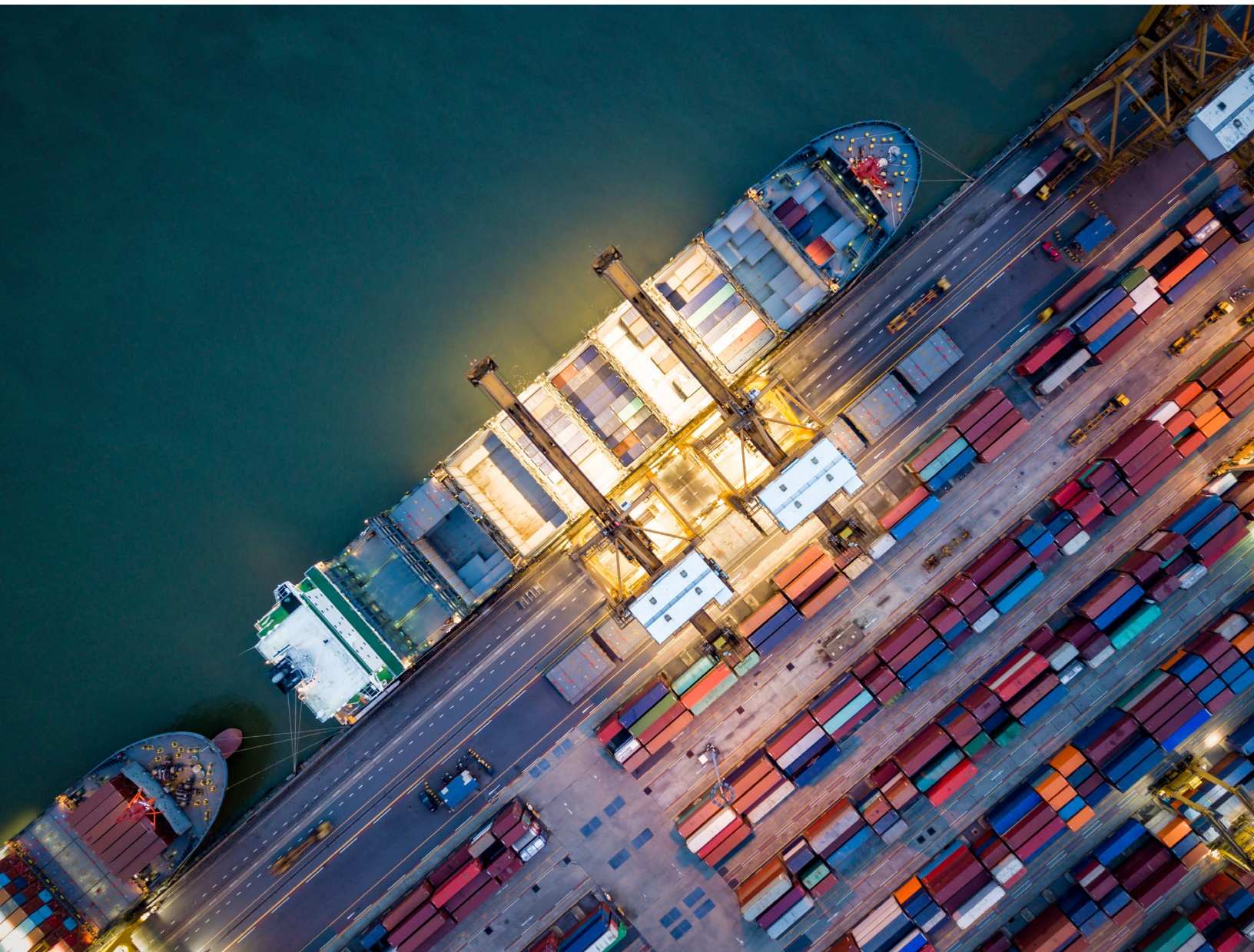




Yardi Matrix

Industrial National Report

May 2026



Iran Conflict Ripples Through Industrial

- The ongoing conflict in Iran and the disruption to shipping through the Strait of Hormuz are starting to impact global logistics costs and supply chains.
- The energy shock is the most immediate and consequential disruption. Before the conflict, about 20% of global oil supply moved through the Strait of Hormuz, and the effective shuttering of the strait has been perhaps the largest shock ever to the global oil market. Gasoline, jet and maritime fuel prices have all risen sharply, increasing shipping costs at every point along the supply chain. Damage to refining facilities in the region raises questions about how quickly energy markets will stabilize once the conflict ends.
- For the industrial sector, higher transportation costs will increase the value of location. Occupiers will place more emphasis on reducing delivery distances and keeping inventory closer to customers. This situation played out when supply chain bottlenecks became common as a result of the pandemic, and while many firms have improved the resilience of their supply chains in the intervening years, we anticipate that site selection will once again become a primary driver of leasing decisions. Infill facilities, properties adjacent to seaports, rail hubs and highway networks are best positioned as firms look to offset increased shipping costs.
- Higher fuel and shipping costs are not the only avenues through which the conflict will impact the industrial sector, as ripple effects will reach across global supply chains. The gulf is a key exporter of many industrial inputs, including petrochemicals, fertilizers and helium. Disruptions to production of these inputs are tightening supply globally, increasing costs for everything from plastics and agricultural products to computer chips and advanced manufacturing. Meanwhile, bottlenecks are increasing, vessels are rerouting, and insurance premiums for cargo are rising.
- If the conflict continues into the summer or beyond, higher energy costs, longer shipping times and tighter supply of many industrial inputs will all become embedded in the global economy. The post-pandemic period of turmoil began the regionalization of supply chains and this current disruption may accelerate it. Higher energy costs will also act as a drag on consumer spending, which could dampen the demand for goods. E-commerce has been the largest driver of industrial leasing, and a slowdown in consumer spending could reduce warehouse demand for distribution and fulfillment space.



Rents and Occupancy: Softness in Southern California

- National in-place rents for industrial space averaged \$9.08 per square foot in April, up five cents over the previous month and 5.3% over the past 12 months.
- Atlanta continues to lead top markets for in-place rent growth, with rates increasing 8.1% in the past 12 months. It was followed by Inland Empire (7.1%), Miami (6.9%), Tampa (6.7%) and Boston (6.6%).
- The lowest in-place rent growth was in Memphis (2.3%), Denver (3.0%), Detroit (3.0%), St. Louis (3.3%) and Kansas City (3.4%).
- The national vacancy rate was 9.1% in April, up 30 basis points over the past year. Vacancies have generally plateaued since the second half of last year, as deliveries have leveled off and demand remains solid but unspectacular.
- Leases signed in the past 12 months averaged \$9.99 per foot, 91 cents above the national average for in-place rents. The national spread has narrowed in recent quarters, and in many markets, newly signed leases are now slightly below prevailing market averages, indicating that negotiating leverage has shifted back toward tenants. Southern California illustrates this trend. Los Angeles and Orange County had tight vacancies and red-hot rent growth in the recent past, but now find new leases priced at less than the in-place averages. In Los Angeles, leases signed within the past year were \$1.51 per square foot lower than the market average, while in Orange County they were \$0.61 lower. We do not anticipate this dynamic to persist, however. The supply boom in Southern California has subsided, and space for new development is more limited than it was at the start of the decade. At the same time, the Ports of Los Angeles and Long Beach remain the busiest in the country, supporting long-term demand.

Average Rent by Metro

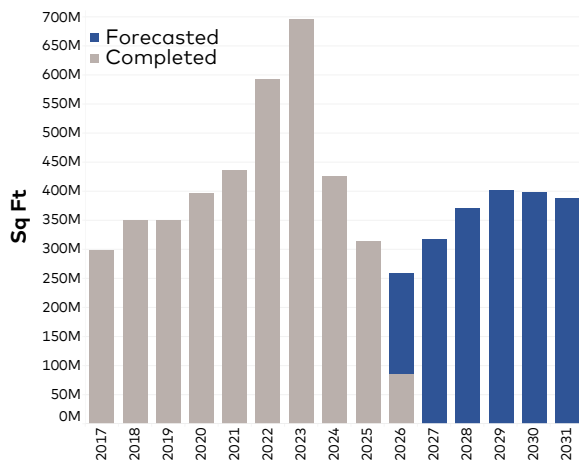
Market	Apr-26 Average Rent	12-Month Change	Avg Rate Signed in Last 12 Months	Vacancy Rate
National	\$9.08	5.3%	\$9.99	9.1%
Atlanta	\$6.84	8.1%	\$8.93	7.5%
Inland Empire	\$12.22	7.1%	\$12.81	8.9%
Miami	\$13.54	6.9%	\$16.69	11.0%
Tampa	\$9.03	6.7%	\$10.73	9.4%
Boston	\$12.50	6.6%	\$15.31	12.1%
Bridgeport	\$10.41	6.4%	\$13.73	7.0%
Dallas	\$6.91	6.3%	\$9.18	9.7%
Columbus	\$5.69	6.0%	\$6.43	7.6%
Baltimore	\$9.26	5.9%	\$9.93	10.8%
Houston	\$7.34	5.8%	\$8.62	7.0%
Phoenix	\$10.26	5.7%	\$11.75	9.0%
Cincinnati	\$5.70	5.6%	\$6.63	10.4%
Central Valley	\$7.15	5.5%	\$8.29	16.1%
Nashville	\$7.17	5.4%	\$9.27	7.0%
Seattle	\$12.92	5.4%	\$13.44	11.6%
Twin Cities	\$7.68	5.3%	\$8.60	7.8%
Chicago	\$6.74	5.1%	\$7.06	8.2%
Philadelphia	\$8.61	5.1%	\$9.06	9.4%
Indianapolis	\$5.46	4.8%	\$6.13	7.5%
New Jersey	\$12.59	4.7%	\$14.09	8.8%
Bay Area	\$14.90	4.7%	\$17.04	9.5%
Los Angeles	\$15.90	4.7%	\$14.39	10.1%
Orange County	\$17.80	4.6%	\$17.19	7.8%
Portland	\$10.74	4.6%	\$11.85	11.2%
Charlotte	\$7.69	4.5%	\$8.51	11.0%
Kansas City	\$5.10	3.4%	\$4.92	5.1%
St. Louis	\$5.40	3.3%	\$4.89	6.2%
Detroit	\$7.45	3.0%	\$7.78	7.9%
Denver	\$9.66	3.0%	\$9.44	12.2%
Memphis	\$4.43	2.3%	\$3.87	10.1%

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

Supply: Dallas Pipeline Remains Large

- Currently, 360.8 million square feet of industrial space (1.7% of stock) are under construction.
- Dallas continues to outpace every other market when it comes to industrial supply. A total of 28.6 million square feet of space is currently underway, representing 2.7% of stock. This is notable in the context of how much new space has been delivered in recent years. In 2022 and 2023, Dallas delivered a staggering 116.8 million square feet (11.1% of stock) of industrial space, and added another 51.6 million square feet between 2024 and 2025. This supply surge pushed up the market's vacancy rate to 9.7%, but demand in the region remains solid, and developers remain bullish on Dallas' long-term fundamentals.
- Unlike many markets, Dallas saw starts increase in 2025. The metro's 28.0 million square feet of new development led the U.S. last year and slightly eclipsed Dallas' 2024 total of 24.7 million square feet. The market benefited from strong demographic growth, and its location makes it a prime hub for goods imported from Mexico. A renewal of the United States-Mexico-Canada Agreement (USMCA) could drive even more activity in the supply pipeline.

National New Supply Forecast



Source: Yardi Matrix. Data as of April 2026

Supply Pipeline (by metro)

Market	Under Construction	Under Construction % Stock	UC Plus Planned % Stock
National	360,840,667	1.7%	3.5%
Phoenix	19,390,922	4.3%	14.4%
Columbus	12,483,567	3.7%	5.3%
Houston	21,013,807	3.0%	5.3%
Denver	8,601,592	3.0%	4.1%
Dallas	28,691,056	2.7%	4.7%
Nashville	4,751,672	2.1%	3.3%
Bridgeport	4,516,914	2.0%	3.2%
Central Valley	6,526,480	1.7%	6.0%
Atlanta	9,727,111	1.6%	3.8%
Indianapolis	6,247,216	1.6%	3.5%
Twin Cities	5,547,318	1.6%	2.2%
Baltimore	3,630,657	1.6%	2.7%
Portland	3,032,244	1.5%	1.8%
Charlotte	4,838,302	1.4%	3.8%
Detroit	8,150,343	1.3%	1.7%
Philadelphia	6,473,570	1.3%	3.1%
Inland Empire	8,257,631	1.2%	3.6%
New Jersey	7,388,868	1.2%	2.6%
Kansas City	3,661,823	1.2%	1.9%
Bay Area	3,754,318	1.2%	2.5%
Tampa	3,261,376	1.2%	1.7%
Chicago	11,054,102	1.0%	2.4%
Cleveland	4,167,581	1.0%	1.4%
Memphis	3,112,356	1.0%	4.7%
Cincinnati	3,089,142	1.0%	1.5%
Boston	2,120,574	0.8%	2.1%
Seattle	2,096,369	0.7%	0.9%
Los Angeles	3,427,500	0.5%	1.8%
Orange County	500,299	0.3%	0.3%

Source: Yardi Matrix. Data as of April 2026

Economic Indicators: Energy Costs Drive Spike in Producer Prices

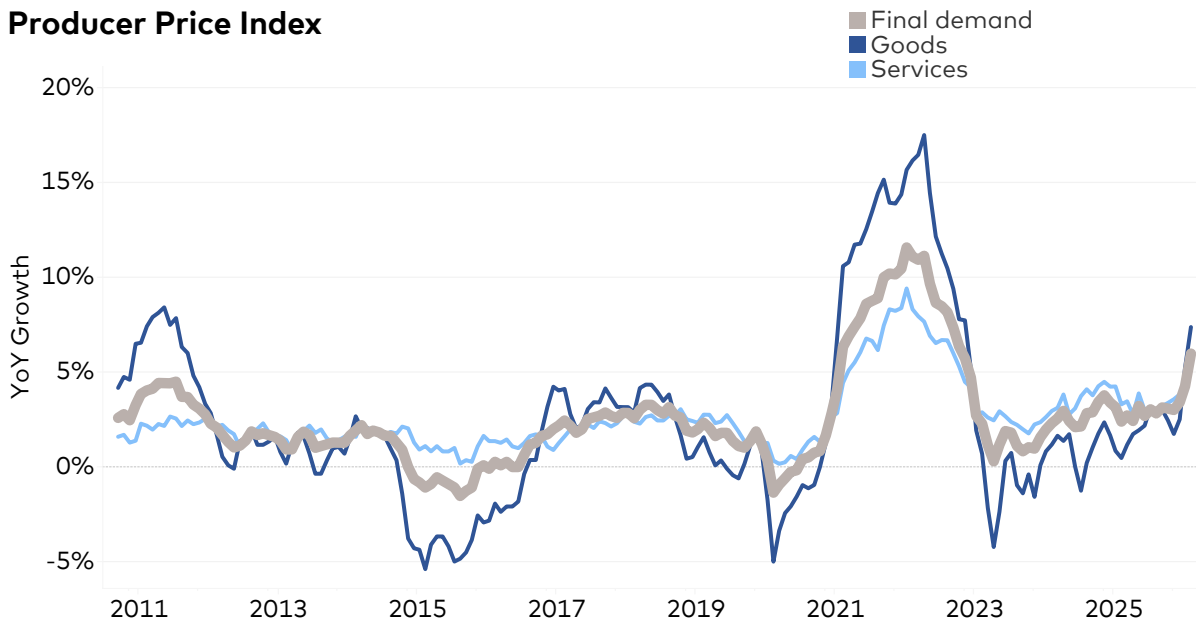
- Producer price increases hit a four-year high in April, according to the U.S. Bureau of Labor Statistics. The Producer Price Index (PPI) grew 1.4% in April, the largest monthly gain since March 2022, and 6.0% year-over-year, the biggest annual increase since December 2022. The goods portion of the PPI jumped 2.0% during the month and 7.4% year-over-year, while the services portion increased 1.2% monthly and 5.5% annually. More than 75% of the gains were driven by a 7.8% increase in the cost of energy.
- The PPI, which measures changes in selling prices received by producers for goods and services, is a leading indicator for the more widely followed consumer index. During the wave of inflation that occurred between 2021 and 2023, the trend in the PPI generally ran two to three months ahead of the CPI. Higher producer prices may not be fully passed onto the consumer, however, as high energy prices will cut into consumer spending, lowering demand for consumer goods and decreasing firms' pricing power.

Economic Indicators

National Employment (April) 158.7M 0.1% MoM ▲ 0.2% YoY ▲	ISM Purchasing Manager's Index (April) 52.7 0.0 MoM 3.9 YoY ▲
Inventories (February) \$2,686.8B 0.4% MoM ▲ 1.3% YoY ▲	Imports (March) \$302.2B 3.6% MoM ▲ -12.7% YoY ▼
Core Retail Sales (March) \$551.9B 0.6% MoM ▲ 4.2% YoY ▲	Exports (March) \$213.5B 3.1% MoM ▲ 16.1% 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: Philadelphia Active to Start Year

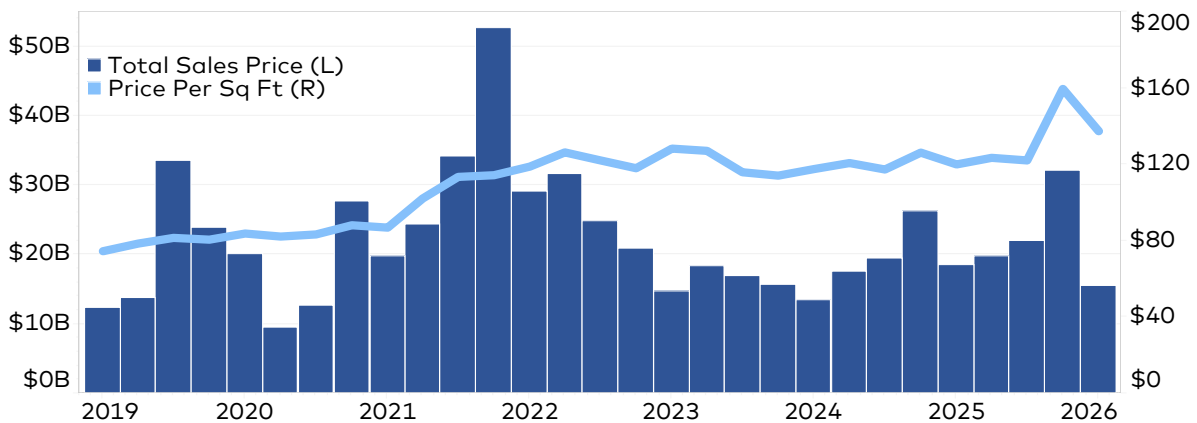
- Yardi Matrix logged \$23.9 billion in industrial transactions through April, with properties trading at an average of \$138 per square foot.
- The average sale price of an industrial property in Philadelphia has grown more than 150% between 2019 and 2026, one of the highest rates of increase in the country. Strong demand for logistics space, a densely populated area, and an efficient port have driven investor appetite for local assets. Since the start of 2021, 67.7 million square feet (13.9% of stock) of industrial space have delivered in the market. While this has pushed some vacancy rates upward, much of the new supply has been absorbed. Philadelphia's current vacancy rate is 9.4%, a figure we anticipate will tick down in the coming months, as just 6.5 million square feet are under construction.
- EQT Real Estate has been remarkably active in South Jersey over the past several quarters. After paying more than \$100 million for a five-property portfolio in late 2025, the firm spent \$308.7 million to acquire the 2 million-square-foot Forest Park Corporate Center in Gloucester County. The park counts Amazon and DHL among its tenants, and EQT plans to make targeted capital improvements to some of the buildings.

Sales Activity

Market	YTD Sales Price PSF	YTD 2026 Sales (Mil)
National	\$138	\$23,904
Dallas	\$143	\$1,756
New Jersey	\$181	\$1,291
Detroit	\$79	\$1,258
Atlanta	\$122	\$1,174
Chicago	\$87	\$1,086
Phoenix	\$162	\$948
Los Angeles	\$279	\$829
Houston	\$90	\$759
Philadelphia	\$150	\$716
Inland Empire	\$170	\$715
Boston	\$231	\$628
Bay Area	\$303	\$558
Seattle	\$202	\$541
Orange County	\$299	\$533
Charlotte	\$146	\$380
Denver	\$106	\$349
Columbus	\$118	\$316
Nashville	\$146	\$278
Indianapolis	\$93	\$275
Memphis	\$54	\$212
Tampa	\$159	\$193
Baltimore	\$134	\$172
Cleveland	\$87	\$164
Kansas City	\$92	\$140
Portland	\$179	\$140

Source: Yardi Matrix. Data as of April 2026

Quarterly Transactions



Source: Yardi Matrix. Data as of April 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:

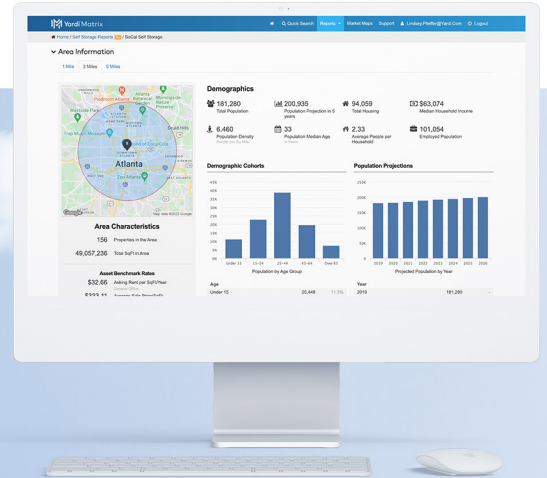
- **Planned**—Buildings that are currently in the process of acquiring zoning approval and permits but have not yet begun construction.
- **Under Construction**—Buildings for which construction and excavation has begun.

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.



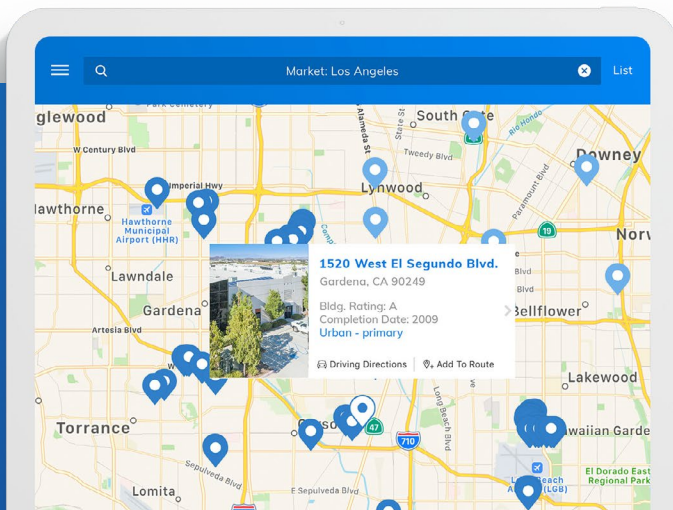
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