

INDUSTRIAL





TO OUR VALUED CLIENTS

The industrial commercial real estate market has become increasingly complex as nuances within the space become more pronounced. While the headline national vacancy rate has climbed steadily since the cycle trough in 2022, that has largely been driven by big-box warehouse development in select markets. Within certain markets, vintages and size segments of the sector, vacancy rates remain relatively low. The industrial investment climate in each metro has its own unique reality, as development and market forces such as supply chain efficiency, logistics costs and tariffs affect each area and industrial sub-type in unique ways.

Through the first half of 2025, industrial property deal flow has remained stable, with transaction counts on par with the pre-pandemic norm. Relative to the broader commercial real estate market, industrial transaction activity remains more robust. The relatively stable demand for the property type has helped stabilize cap rates following the recalibration caused by the higher interest rate climate. Capital continues to favor smaller metros, which often deliver higher cap rates, but many of the smaller markets also offer stronger fundamentals, as they had considerably less construction over the last couple of years. In broad terms, the industrial investment climate remains sound.

Tariffs, trade and broader economic uncertainty could impact the performance of some industrial markets, particularly West Coast ports that are reliant upon imports from China. Economic weakening, supply chain disruptions, geopolitical risks, fluctuating fuel prices and potential labor shortages due to more stringent immigration enforcement could also influence industrial property performance in the second half of 2025 and into 2026, but these disruptions will likely be temporary. Over the longer term, industrial space demand should continue to strengthen.

To help provide insight into this complex climate, Institutional Property Advisors presents the 2025 Midyear Industrial Investment Outlook. Our investment brokerage and financing professionals look forward to assisting you in achieving your goals.

Thank you and here is to your continued success,

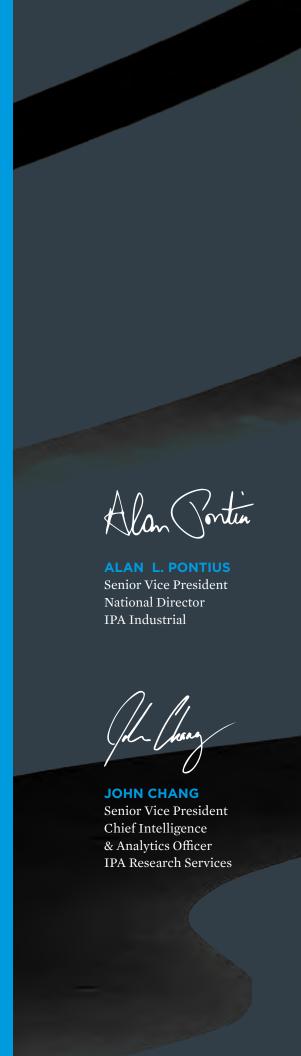


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EXECUTIVE SUMMARY

NATIONAL INDEX

- Port and hub metros face varying exposure to tariffs during 2025, slotting these markets into different tiers of the Index. Primary destinations for European goods and markets where a diverse mix of cargo types are handled will face reduced vulnerability to tariffs. Metros where container volumes are reliant on trade with Asia, however, may be more exposed. As such, port and hub markets on the East and Gulf Coasts rank higher than their West Coast counterparts.
- A ranking disparity also exists among Sun Belt local service markets. While Southeast metros including Miami, Charlotte, Fort Lauderdale and Tampa compose a portion of the Index's top third, Phoenix and Las Vegas slot lower, despite strong growth expectations over the next five years.

NATIONAL ECONOMY

- The Trump administration's recent actions on trade and immigration are widely believed to be inflationary and a hindrance to growth. Although the removal of reciprocal tariffs on China may prevent a stark, longer-term pullback in production orders and vessel calls from materializing, duties in place as of June and the potential for higher country-specific rates moving forward will impact industrial users' long-term space needs.
- The sector will also be directly impacted by President Trump's
 recent tightening of immigration rules, which could curb voluntary migration into the country. Should a slowdown in immigration materialize, the resulting labor shortage could lead to production delays and an undersupply of goods.

NATIONAL INDUSTRIAL OVERVIEW

- Industrial availability has nearly doubled since hitting a record low in mid-2022. Even so, collective vacancy among properties built prior to 2020 was below 5 percent in March — an indication that facilities constructed over the past five years account for much of the nation's vacant stock. Notable disparities in availability also extend across subsectors and property sizes.
- After five straight years of elevated inventory growth, a respite in
 the form of a pullback in completions has begun to emerge. The
 period of subdued construction that began during the first three
 months of 2025 is expected to continue through 2026 a shift
 that could aid vacant properties in their pursuit of tenants.

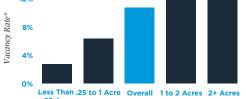
CAPITAL MARKETS

- The Federal Reserve continues to adhere to a wait-and-see approach, having held the overnight lending rate at a 4.25 percent lower bound through the first six months of 2025. While previously anticipated, a second half-rate reduction is not guaranteed. The Fed could potentially be less inclined to cut interest rates if inflation starts to rise. Long-term yields, meanwhile, are set to face upward pressure in the second half, which may drive investors to lock in rates to hedge against increases.
- Strategically located industrial properties remain one of the more approachable commercial real estate asset types for lenders. Private investors seeking higher loan-to-value ratios will keep relying on local and regional banks, while institutions may have a larger pool of conduits to tap for financing, as CMBS sources were notably active last year.

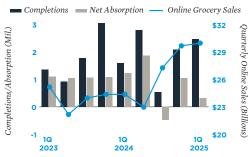
INDUSTRIAL INVESTMENT OUTLOOK

- Noteworthy improvements in industrial-related trading were recorded across price tranches during the 12-month period ended in March. Still, trading below the \$5 million threshold played a vital role in overall deal flow, with many of these transactions involving small-bay industrial assets. Fitting the space needs of a diverse tenant base, similar listings should garner private investors' attention during the second half.
- Developers have expanded the nation's industrial inventory by nearly 13 percent since 2020 growth that will generate opportunities for investors to acquire modern facilities across price tranches. Some buyers may obtain reduced pricing for newly built assets yet to reach stabilization. At a time of rising replacement costs, this strategy may prove enticing for investors with experience filling speculative properties. Meanwhile, some owner-users seeking better control over their bottom line may also pursue recently constructed properties.

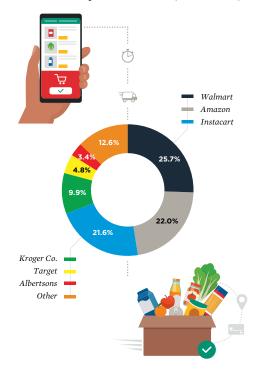
Smaller IOS Space in High Demand 16% 12%



Cold Storage Supply-Demand Dynamics



Online Grocery Market Share (2024 Sales)



Industrial Users Leaning on Outdoor Storage Amid Parking Shortage

Tenant mix diversifies in niche segment. Online retail sales reached a record mark in April, with future gains anticipated, as more consumers seek out deals during a potential inflationary period. As such, retailers and logistics providers are maintaining sizable fleets to fulfill e-commerce orders. Concurrently, there is a severe shortage of commercial truck parking — a situation that is facilitating demand for industrial outdoor storage yards. As of June, collective vacancy across contractor storage yards larger than a quarter of an acre stood at 10.8 percent. Availability is more restricted in the subtwo-acre segment and among properties that offer direct access to major interstates and regional infrastructure, including intermodal terminals and airports.

IOS Investment Highlights

- Trades in Southern California made up 40 percent of all IOS sales over the five-year span ended in May. Investors were most active in the Inland Empire, acquiring one- to three-acre yards in logistics hubs, including Fontana and San Bernardino.
- More than half of the IOS yards that traded over the past five years encompassed less
 than two acres, translating into a host of sub-\$5 million transactions. Average pricing over that span was roughly \$1.2 million per acre when omitting California. In the
 Golden State, the mean price point was around \$3 million per acre.

New Consumption Patterns Becomes Fully Ingrained, Aiding Cold Storage Demand

Historic delivery wave extends through 2025. Online grocery sales topped \$9.5 billion for the ninth straight month this April, driven by a notable year-over-year increase in food delivery. Should this trend continue, the grocery segment would rank as the largest e-commerce category by 2026 — a dynamic that would foster future tenant needs for temperature-controlled facilities. As such, the outlook for the cold-storage sector remains positive amid a period of supply-induced headwinds. During the 12-month span ended in March, developers added 7.9 million square feet, which is a record mark for any yearlong interval dating back to 1990. This influx of inventory outpaced positive demand, raising vacancy to nearly 6 percent in March. Additional upward vacancy movement is likely over the near term, as at least 2.3 million square feet will be added during the second quarter.

Buyer pool may expand in regions that lack supply pressure. While supply additions are expected to remain elevated through at least this year -5.5 million square feet was underway as of June - three-fourths of the active pipeline is accounted for. More notably, upcoming deliveries are sparse west of the Mississippi River. This dynamic may heighten investor competition for listings in Texas and Mountain markets - specifically those registering standout net in-migration. As grocers prioritize facilities that reduce lead times for storing and transporting food to these areas, sites located near expanding residential hubs may draw elevated interest.

Especially Dynamic Year Leads to More Variance in the 2025 Index

Port and hub metros face various exposure to tariffs. Primary destinations for European goods, as well as Gulf Coast markets where a diverse mix of cargo types are handled, will face reduced vulnerability to tariffs, unlike their West Coast counterparts, where container volumes are reliant on trade with Asia. Despite elevated inventory growth, Jacksonville (#7) and Houston (#8) each rank among the 10 least vacant markets in 2025, as local demand was buoyed by some of the nation's strongest rates of household and retail sales growth. Home to the East Coast's busiest container terminal, Northern New Jersey (#10) also ends the year with below-average vacancy. In contrast, Los Angeles (#31), Seattle-Tacoma (#23) and Oakland (#28) each close out this year with a vacancy rate above the national average. A trio of hub markets, including Dallas-Fort Worth (#5), will also end the year with elevated vacancy. Yet the Metroplex still secures a top spot in the 2025 National Industrial Property Index, as it leads major markets in vacancy compression. Atlanta (#21) and Riverside-San Bernardino (#33), meanwhile, rank in the second and third tiers of the Index, due to both markets still grappling with influxes of speculative supply.

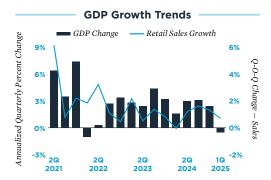
Ranking disparity exists among top relocation destinations. Led by top-ranked Miami (#1), local service markets in the Southeast make up a share of the Index's top third. Miami, along with Charlotte (#4), Fort Lauderdale (#9) and Tampa (#12), each record above-average employment growth during 2025. This hiring activity supports in-migration, as employers recruit from outside the metro to fill openings. The boost to retail sales these dynamics provide will fuel tenant demand for local space suitable for regional distribution and last-mile services. While expected to grow at a faster rate than the aforementioned metros over the next five years, Phoenix (#27) and Las Vegas (#32) slot near the bottom of this year's Index. Supply pressure is a primary reason, as the two metros register inventory growth of 3.7 percent and 3.4 percent, respectively. Only Austin's (#30) industrial stock increases at a faster clip.

Index Methodology

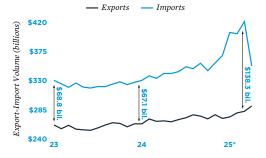
The NIPI ranks 36 major markets on a collection of 12-month, forward-looking economic indicators and supply and demand variables. Markets are ranked based on their cumulative weighted average scores for various indicators, including projected employment growth, vacancy level and change, construction, retail sales, and household growth. Weighing the forecasts and incremental change over the next year, the Index is designed to show relative supply and demand conditions at the market level.

Users of the Index are cautioned to keep several points in mind. First, the NIPI is not designed to predict the performance of individual investments. A carefully chosen property in a bottom-ranked market could easily outperform a poor choice in a higher-ranked market. Second, the NIPI is a snapshot of a one-year horizon. A market encountering difficulties in the near term may provide excellent long-term prospects and vice versa. Third, a market's ranking may fall from one year to the next, even if its fundamentals are improving. The NIPI is an ordinal index, and ranking differences should be interpreted carefully. A top-ranked market is not necessarily twice as good as the second-ranked market, nor is it 10 times better than the 10th-ranked market.

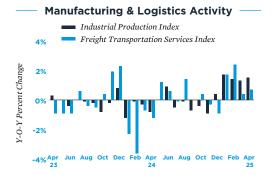
RANK	MARKET
1	Miami-Dade
2	Minneapolis-St. Paul
3	Chicago
4	Charlotte
5	Dallas-Fort Worth
6	Denver
7	Jacksonville
8	Houston
9	Fort Lauderdale
10	Northern New Jersey
11	Cleveland
12	Tampa-St. Petersburg
13	Columbus
14	Charleston
15	Orlando
16	Boston
17	Detroit
18	Indianapolis
19	Milwaukee
20	Memphis
21	Atlanta
22	Sacramento
23	Seattle-Tacoma
24	Philadelphia
25	Washington, D.C.
26	Orange County
27	Phoenix
28	Oakland
29	Portland
30	Austin
31	Los Angeles
32	Las Vegas
33	Riverside-San Bernardino
34	New York City
35	Baltimore
36	San Diego



- Impending Tariffs Widened Trade Deficit







Changes to Trade and Immigration Policies Cloud the Second-Half Economic Outlook

Tariffs have already led to volatility. The U.S. economy entered 2025 in a favorable position, as consumer resiliency and a robust labor market supported GDP growth of 2.8 percent last year. The Trump administration's recent actions on trade and immigration, however, are widely believed to be inflationary and a hinderance to growth. During the first quarter of 2025, GDP decreased at an annual rate of 0.5 percent, reflecting a surge in imports prior to new tariffs taking effect. As of mid-June, a 10 percent blanket duty covered nearly all imports from countries outside Canada and Mexico. Products from China, meanwhile, face a minimum tariff rate of 30 percent after a deal was reached in May to temporarily cut duties for 90 days. The removal of reciprocal tariffs on China may prevent a stark, longer-term pullback in production orders and vessel calls from materializing. Still, sector-specific tariffs of 25 percent remain on foreign automobiles, while the duty on steel and aluminum imports was raised to 50 percent for most counties in June. These in-place duties, and the potential for higher country-specific rates as early as July, will impact industrial users' business decisions and ultimately their long-term space needs.

Immigration policies may alter workforce and production outputs. President Trump's recent tightening of immigration rules could curb voluntary migration into the country, which would have a direct impact on the industrial sector. Approximately 20 percent of workers in both the manufacturing and logistics sectors are foreign born. Should a slowdown in immigration materialize, the resulting labor shortage could lead to production delays and an undersupply of goods — dynamics that could stoke inflationary pressure. Higher costs for products would in turn weigh on consumers' budgets at a time when total household debt is at an all-time high — \$18.2 trillion in the first quarter — and retail sales growth has flattened. Fortunately, wage growth continues to outpace both core CPI and PCE inflation, bolstering household budgets to some degree over the near term.

2025 NATIONAL ECONOMIC OUTLOOK

- Electric vehicles continue to gain market share. Americans bought 1.3 million to 1.7 million EVs last year, depending on the source. With more models scheduled to enter the market in 2025, EVs sales could account for up to 10 percent of all new cars sold. In July, however, Congress a bill that will end the \$7,500 tax credit on new EV sales later this year while also setting up a June 2026 sunset date for a tax credit on installing at-home chargers. The legislation also ramps up the requirements for domestically manufactured components in order to receive other credits. Together, these actions may complicate business decisions for motor companies and battery manufacturers, impacting domestic manufacturing activity.
- Record spending online has positive implications for industrial demand. While overall retail sales declined on a monthly basis in both April and May, non-store spending remained on an upward trajectory. A boon for owners of warehouse and distribution properties, the segment's continued growth will support demand from logistics providers and omnichannel retailers for the foreseeable future. In May, approximately 23.7 percent of all consumer spending took place online a tally exceeded only by the pandemic-induced reading from April 2020.

^{*} Through April

^{**} Avg. Hourly Earnings and Core CPI through May,

Elevated Vacancy Among Larger and Newer Properties Distracts From Areas of Strength

Sector charactized by disparities. Following pandemic-induced tailwinds that compressed vacancy to a record low in mid-2022, industrial availability has nearly doubled, reaching a rate of 7.1 percent this March. Still, a lengthy stretch of positive leasing activity remains intact after tenants absorbed a net of more than 400 million square feet over the past two and a half years. This dynamic indicates that the recent influx of supply -1.1 billion square feet over the same interval - played a substantial role in the recent spike in vacancy. Vintage-specific data reflects this. Entering April, vacancy among 2020- to mid-2025-built properties was 21 percent, compared with a collective rate of 4.6 percent for properties built prior to 2020. This gap could close somewhat over the near term, however, as some high-credit tenants may move out of older facilities in favor of newer spaces with modern features. Notable vacancy disparities also extend across subsectors and property sizes. Approximately 10.2 percent of distribution space was available for lease at the onset of April; however, when filtering out properties exceeding 100,000 square feet, vacancy is 6.5 percent. Warehouse availability is also skewed by larger properties, as vacancy among 10,000- to 100,000-square-foot buildings was 4.4 percent in March. As such, small and mid-sized property owners appear well positioned to grapple with a period of economic volatility that could recalibrate some users' demand needs.

Developers respond to vacancy movement. For owners impacted by the recent supply influx, a respite in the form of a pullback in completions has begun to materialize — a shift that should aid vacant properties in their pursuit of tenants. In the first three months of 2025, developers added 67 million square feet, which is the lowest quarterly tally in seven years. This period of subdued construction is expected to continue through 2026 based on the active pipeline, with slightly more than 180 million square feet projected for addition over the final three quarters of 2025. Deliveries smaller than 100,000 square feet will be relatively scant, as these projects account for roughly 10 percent of the active pipeline. Properties larger than 200,000 square feet, meanwhile, represent three-fourths of ongoing construction; however, these projects' collective square footage equates to just 1.3 percent of overall existing stock.

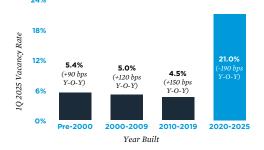
2025 NATIONAL INDUSTRIAL OUTLOOK

- Microcircuit pipeline highlights onshoring efforts. Nationwide, roughly 100 projects linked to the semiconductor supply chain were underway as of June, with Arizona and Texas together accounting for one-third of these properties. The rapid expansion of the industry should facilitate future demand among suppliers, logistics providers and other supporting firms for nearby industrial space.
- Funding source in limbo. The \$1.2 trillion Infrastructure Investment and Jobs Act is set to expire at the end of September 2026. The potential reauthorization of the bill will be a point of focus for port, airport and rail authorities with expansion plans.
- Tenants prioritize major inland metros. Hub, port and local service market vacancy
 rates ranged from 7.0 percent to 7.5 percent in March. Of these, hub metros may be
 most insulated from upward vacancy movement due to their role in regional supply
 chains. Reductions in construction during 2025 will also aid conditions here.

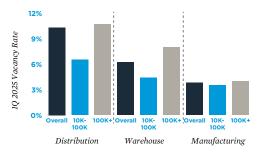
Sector Grapples With Speculative Deliveries



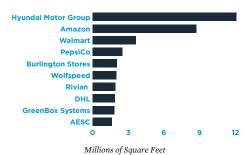
Composition of Vacant Industrial Stock



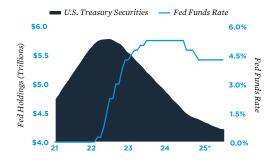
Vacancy Limited in Smaller Properties



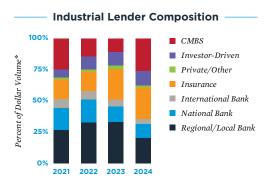
Planned Industrial Move-Ins for 2025



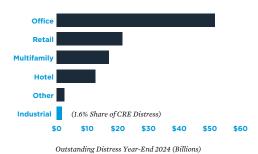
Fed Continues to Reduce Its Balance Sheet







- Industrial Distress Minimal Entering 2025 -



White House Policies Disrupt Capital Markets Outlook, Prompting Some Investors to Lock In

Uncertainty surrounds both short- and long-term rate movement. The Trump administration's numerous policy changes have influenced the Federal Reserve to adopt a wait-and-see approach. The Fed has held the overnight lending rate at a 4.25 percent lower bound during the first six months of 2025. While previously anticipated by investors and future markets, a second half-rate reduction is not guaranteed. If inflation starts to rise, the Fed may be less inclined to cut interest rates, especially in the absence of glaring labor market softness. As of May, unemployment stayed low at 4.2 percent, and new tariffs had yet to fully show up in price levels. Instead, a higher interest rate environment is likely to persist. Long-term yields, meanwhile, are set to face upward pressure in the second half. The Congressional Budget Office projects a \$1.9 trillion increase in the federal deficit for 2025, which will require increased treasury issuance. Unfortunately, historically prominent buyers of U.S. treasuries, including Japan and China, have been less active of late. This pullback may lower prices on notes, pushing up yields and directly impacting borrowing costs for long-term loans, which in turn may drive investors to lock in rates to hedge against increases.

Lenders respond to recent rise in industrial trading. Quarterly industrial origination volume improved throughout last year despite still-elevated borrowing costs, with strategically located properties remaining one of the more approachable asset types for lenders. CMBS sources were notably active, composing 26 percent of all industrial lending in 2024 — their highest share since at least 2016. Increased lending on the part of conduits, who historically concentrate on deals above \$20 million, coincided with a significant improvement in institutional-sized deal flow. For these transactions, including portfolios, CMBS lenders offered average leverage in the low-60 percent band. Meanwhile, private investors seeking higher loan-to-value ratios continued to rely on local and regional banks. Collectively, the two sources of capital accounted for more than half of all industrial lending below \$10 million, with high-60 percent leverage available — the highest mean LTV among financing sources.

2025 CAPITAL MARKETS OUTLOOK

- Financial institutions remain open to ground-up projects. National banks accounted for one-third of all industrial construction lending during the 12-month span ended in March, with regional and local banks representing the largest source of financing for ground-up warehouse projects. Following five years of significant supply pressure that has lifted vacancy among newer-built properties, these capital sources are likely to more closely scrutinize project proposals. Still, properties tied to borrowers with a history of developing and filling institutional-quality assets in optimal locations should continue to generate notable lender interest.
- Market participants monitoring outside events. Conflict in the Middle East presents a non-zero risk of spiking oil prices, carrying inflationary implications that could potentially disrupt equity markets. Barring a substantial escalation, however, market participants believe the impact on U.S. monetary policy will be muted. The probability of a rate hike to combat oil price inflation is low.

^{*} As of July 10

^{*} Sales \$2.5 million and greater

Limited Vacancy Among Smaller Assets and Supply Influx Allow for Various Strategies

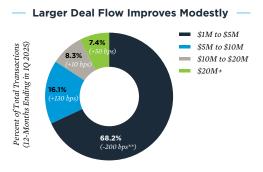
Investor demand for secondary property type apparent. Industrial deal flow rose by nearly 20 percent on a year-over-year basis during the 12-month period ended in March, mirroring gains registered across other major commercial real estate segments. Average pricing adjusted slightly over this span and the mean cap rate held, both reflections of buyers and sellers coming to terms more frequently. Noteworthy improvements in trading were also recorded across price tranches, highlighted by a 40 percent spike in \$20 million-plus transactions. Still, trading below the \$5 million band played a vital role in overall deal flow. A high percentage of these trades involved small-bay industrial assets, sub-30,000-square-foot properties capable of accommodating multiple smaller users. By meeting the space needs of a diverse pool of potential tenants, owners of these assets may be able to fill recently vacated spaces in a shorter time frame than larger warehouse and distribution facilities. The relative lack of small-bay construction, which somewhat insulates the subsector from supply pressure, should also attract active private investors to these listings.

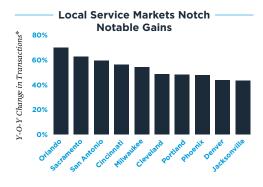
Newer builds available across price tranches. Since 2020, developers have added more than 2.1 billion square feet to the nation's industrial inventory — a nearly 13 percent stock increase that will generate opportunities for investors seeking modern facilities. Many of these properties are sizable in scope and will command commitments above \$10 million; however, recent sales activity indicates newer facilities are also obtainable below this threshold. Discounted pricing for these listings may be available over the near term, as more than half of all newer-built assets traded during the yearlong period ended this March sold below the sector's average price point of roughly \$160 per square foot. This dynamic suggests some buyers are obtaining reduced pricing for assets yet to reach stabilization. At a time of rising replacement costs and a flight-to-new among some high-credit tenants, this strategy may prove enticing for investors with experience filling speculative properties. For these buyers, modern buildings close to intermodal facilities and freight-handling airports will draw attention. Assets within a mile of these operations had collective vacancy rates of 6.0 percent and 3.7 percent, respectively, as of April.

2025 INVESTMENT OUTLOOK

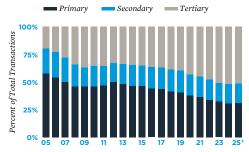
- Final links in domestic supply chain garner attention. Local service markets noted some of the largest improvements in deal flow during the 12-month span ended in March, with 11 of these metros notching year-over-year increases of 40 percent to 70 percent. Moving forward, local service markets across the Sun Belt, including Orlando, San Antonio and Las Vegas, will remain on investors' radars as moderating local supply pressure and standout in-migration lift demand for last-mile operations.
- End-users acquiring smaller warehouses. Approximately 40 percent of the properties that changed hands during the past year were acquired by owner-users an 8 percent increase over the prior 12-month stretch. In a period of rising labor and replacement costs, in addition to record asking rent, owning the building they occupy may prove to be an attractive option for more well-capitalized industrial tenants seeking better control over their bottom line.

- Pricing and Cap Rate Increases Level Off Average Sale Price — Average Cap Rate 9.5% 8.5% Price Cap Rate 7.5% Paire 6.5% are





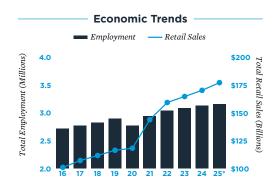




Atlanta's Industrial Market Navigates Supply Challenges Amid Shifting Growth Corridors

Long-term demand drivers underpin resilience amid current oversupply. The Atlanta metro continues to strengthen its position as the Southeast's primary distribution hub, with a growing specialization in logistics and warehousing that supports local industrial demand. Recent additions include major facilities for Southwire, Post Consumer Brands and GreenBox Systems. Despite evolving trade policies, port activity at Charleston and Savannah has stayed relatively stable, ensuring a steady flow of goods into the region and contributing to a generally positive demand outlook. Nevertheless, elevated construction from recent years weighs on fundamentals. Jefferson and Gainesville led the metro in inventory growth year over year in March, producing the highest local vacancy rates. Metrowide, net absorption is expected to remain at a fraction of deliveries this year, pushing vacancy rates higher.

Transactions shift toward Atlanta's northeastern areas. Local sales activity has historically been concentrated along the Interstate 20 and Interstate 75 corridors; however, a recent influx of supply in submarkets like Jefferson and Gainesville has steered more investors to listings along the Interstate 85 Corridor. Here, deal flow doubled on a year-over-year basis during the 12-month period ended in March, supported by an increase in warehouse-related trades. This trend signals investor confidence in the corridor's long-term growth potential. At the metro level, the average price per square foot has climbed steadily and now sits roughly 50 percent above its 2020 level, a dynamic that could influence some owners to capture proceeds via a sale. While cap rates have also risen, reflecting interest rate pressures and some cooling in fundamentals, elevated pricing suggests investors remain confident in Atlanta's broader outlook.





2025 MARKET FORECAST



ATLANTA

Despite optimistic demographics trends, above-average inventory growth garners Atlanta a middle-of-the-pack ranking.

+0.8%

(

EMPLOYMENT: Job growth slows in Atlanta, with about 24,000 positions added in 2025. Despite this moderation, the number of jobs created still ranks among the top ten nationally.

17.2 million sq. ft.



CONSTRUCTION: Deliveries fall to their lowest level in a decade, yet Atlanta still leads the nation in square feet added in 2025. As such, metro inventory grows by 2.1 percent.

+80 bps



VACANCY: Industrial availability has continued to rise steadily since 2021. This upward vacancy movement will continue in 2025, with the local rate reaching a 10-year high of 9.8 percent.

+4.6%



RENT: Atlanta records standout asking rent growth in 2025, despite local vacancy nearing 10 percent. At \$9.28 per square foot, the metro remains one of the lowest-cost major industrial markets.

INVESTMENT:

Northwest Atlanta experienced the largest vacancy decline and rent growth among submarkets during the past year. This dynamic may renew investor interest in listings along the I-75 corridor.





* Forecast ** Through 1Q Sources: CoStar Group, Inc.; Real Capital Analytics

Robust Leasing Momentum Meets Unprecedented Industrial Space Growth in Austin

Speculative construction persists despite rising vacancy. Between 2022 and 2024, Austin's industrial market added more new supply than in the prior two decades combined, heavily driven by big-box distribution center development. Despite posting the highest ratio of net absorption relative to total inventory among major metros during the year ended in March, demand has struggled to keep pace with this supply surge, driving vacancy to its highest level since 2004. Construction will again be heightened in 2025, with more than 80 percent of deliveries coming from speculative builds. Much of the incoming supply is concentrated in Georgetown, Hays County and Southeast Austin. These areas saw the strongest demand over the past 12 months, led by Southeast Austin, where tenants absorbed nearly 1.7 million square feet. Leasing activity through the first half of this year shows continued strength in these well-connected areas with an abundance of modern space options, particularly west of Austin-Bergstrom International Airport, in North Austin and near Walnut Creek Business Park.

Institutional trading holds firm as investors target key corridors. Transaction activity increased slightly during the year ended in March, with large warehouses and distribution centers accounting for a greater share of deal flow. Private investment in pre-1980s-built facilities also picked up in late 2024 and early 2025 after nearly a year of muted activity, with almost all deals involving warehouses under 50,000 square feet. Building on momentum through the first half of 2025, investment is set to remain concentrated in infill locations along key transportation corridors like Interstate 35 and Route 183. Strong fundamentals also continue to support activity west of the airport in Southeast Austin, as well as in the more rural Hays and Georgetown counties.



2025 MARKET FORECAST

NIPI RANK 30

Despite rapid household formation, sustained supply pressure will weigh on already high vacancy in this year's ranking.

+1.6%



EMPLOYMENT: The metro's employment base is projected to expand by 22,000 positions by the end of 2025, representing the fastest annual growth rate among major Texas markets.

12 million sq. ft.



CONSTRUCTION: Austin is expecting an inventory gain of 9.1 percent this year — more than double that of any other major metro, though roughly in line with its pace from the past three years.

+170 bps



VACANCY: Supply pressure continues to weigh on vacancy, as the metro's rate moves up to 13.8 percent by year-end, expanding by the third-fastest pace among major U.S. markets.

-1.0%



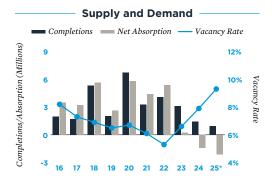
RENT: Rising vacancy is expected to influence the metro's average asking rent, which is forecast to decline to \$14.31 per square foot by the end of 2025 - a 6.2 percent drop from its mid-2024 peak.

INVESTMENT:

Tesla Inc. is planning to add over 5.2 million square feet to its existing Texas Gigafactory by the end of 2026 — a move that will likely spur investor interest in nearby Southeast Austin properties.











BALTIMORE

Baltimore's Ability to Navigate Near-Term Leasing Hurdles Promotes Positive Investment Momentum

Both demand and new supply soften amid infrastructure tailwind. This year's delivery slate — constituting roughly a fourth of the trailing five-year average — is poised to provide some relief to Baltimore's industrial vacancy. Since falling to a historically low level in mid-2022, the rate has risen 360 basis points. Additionally, the ongoing expansion of the CSX's Howard Street Tunnel should bolster long-term demand by enabling double-stack freight service, which will and improve port connectivity to the Midwest. Nevertheless, the trailing 12-month interval ended in April marked the weakest annual net absorption in Baltimore since the financial crisis. The primary contributors to recent steep declines were move-outs from pre-2000-built warehouses and an overall slowdown in new leasing activity. Leased square footage signed in the first five months of 2025 also fell short of the prior five-month total by about 20 percent, suggesting headwinds tied to softening demand have yet to subside. As such, ongoing corrections in the average asking rent are likely to persist through the remainder of the year, following a historically large decline over the 12 months ended this March.

Large-scale deal flow returns to select locations. Total sales volume rose by approximately 45 percent year over year in Baltimore heading into April, despite transaction velocity holding steady. Supporting this, the number of deals over \$20 million more than doubled. Meanwhile, trading in East Baltimore County improved by roughly 60 percent. Infill warehouses and manufacturing facilities off Pulaski Highway continued to attract investors targeting locations with direct access to major transportation routes. While pricing growth ranked in the bottom fifth of major U.S. metros last year, investor confidence in strategically located assets will likely sustain deal flow.

2025 MARKET FORECAST

NIPI RANK 35

Even with limited new supply, a substantial increase in vacancy and modest household formation weigh on the metro's ranking.

+0.7%

EMPLOYMENT: The metro is expected to add 10,200 jobs this year, reflecting a growth rate that trails the national pace by 20 basis points but is ahead of Washington, D.C., by 50 basis points.

970,000

sq. ft.



CONSTRUCTION: This year's delivery slate ranks as the smallest since 2012. The 0.5 percent expansion to local inventory ties for the third-slowest growth among major industrial markets in 2025.

+140 bps



VACANCY: Despite a relatively small construction pipeline, relinquishments are expected to weigh on vacancy, pushing the metro's rate up to 9.3 percent by year-end.

-7.2%



RENT: The average asking rent in Baltimore will fall to \$9.57 per square foot this year, representing an 18 percent decline from its peak marketed rate in early 2024.

INVESTMENT:

Far smaller rent declines in Southwest Baltimore than in other submarkets may continue to draw investor interest through 2025, following early-year trade concentration along the Interstate 95 corridor.

Deliveries Moderate While Last-Mile Assets Gain Investors' Focus in Boston

Alleviating supply pressure key to supporting industrial market growth. The metro has faced elevated completions each year for the past five years, with 30 million square feet delivered during that span. This extended period, driven largely by speculative projects, pushed vacancy up 320 basis points over the past two years. In response, developers have slowed project starts, leading to a sharp year-over-year drop in supply growth. Still, net absorption is expected to remain modest in 2025, with space reductions by Amazon and other major e-commerce tenants playing a role. Some submarkets, however, appear better positioned. The Andover-Amesbury area posted the fastest inventory growth among metro submarkets over the past year, yet recorded one of the smallest vacancy increases — a sign of steady local demand. Likewise, Southern New Hampshire had the metro's lowest vacancy rate in early 2025, reflecting continued interest along the far northern Interstate 95 corridor.

Investment activity centers around the final leg of the supply chain. Transaction velocity rose roughly 40 percent in the 12 months ended in March compared with the prior yearlong period. Still, the average price per square foot remains about 15 percent below the metro's 2022 peak, reflecting both softer fundamentals and the age of properties most often traded. Areas offering strong connectivity to both Interstates 95 and 93, as well as dense Boston neighborhoods, registered increases in deal flow over the past year, highlighted by activity around Wilmington and Woburn to the north and Randolph to the south. Assets in these pockets are typically older and priced below facilities in the urban core. As demand patterns shift, buyers are expected to place greater emphasis on both property fundamentals and location.

Economic Trends Employment — Retail Sales 3.00 \$180 Total Retail Sales \$180 total Retail Sales \$130 (Sellions) \$130 (Sellions) \$105 total Retail Sales \$105 total Retail Sales \$105 total Retail Sales \$105 total Retail Sales \$105 total Retail Sales



ice





Rent Trends

2025 MARKET FORECAST

NIPI RANK 16

Strong retail sales growth and easing supply pressure place Boston in the top half of this year's Index.

+0.5%

EMPLOYMENT: The metro experienced a slight decline in jobs during 2024, but employment is projected to rebound this year with an increase of approximately 15,000 positions across the market.

2.7 million

sq.ft.



CONSTRUCTION: Deliveries will retreat from last year's historic peak — the highest since at least 2000 — with this year's pipeline set to be the smallest in six years, growing stock by only 0.6 percent.

+30 bps



VACANCY: Metro vacancy will continue its upward trajectory as elevated supply outpaces demand for a fourth consecutive year. The rate is expected to reach 8.2 percent by the end of 2025.

+3.1%

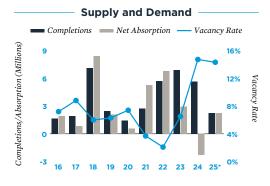


RENT: Boston remains one of the lowest-cost primary industrial markets on the East Coast, as the metro ends the year with an average asking rent of \$12.43 per square foot.

INVESTMENT:

South Coast Rail brings upgraded infrastructure that enhances freight reliability along shared-use corridors — a shift that may spur investor interest near connected industrial and intermodal areas.

Economic Trends Employment Retail Sales 30 Total Retail Sales \$25 tall Sales (Billions) \$20 (Sales) \$30 Total Retail Sales (Billions) \$25 tall Sales (Billions)







CHARLESTON

Development Faces Steep Decline as Institutional Buyers Eye Emerging Submarkets

Vacancy retreats slightly amid softening deliveries and infrastructure upgrade. Following a brief slowdown in completions during the latter half of 2024, deliveries accelerated again in the first quarter of 2025. Fortunately, construction is set to decline sharply over the remainder of the year, likely alleviating near-term pressure on vacancy — including in northern outskirts like Berkeley and Dorchester counties, where nearly all of last year's supply was concentrated. Looking forward, the mid-2025 opening of the Navy Base Intermodal Facility is expected to strengthen the metro's position as a regional logistics hub by improving port-to-rail connectivity, potentially fostering greater demand for nearby industrial space. Still, a substantial share of imports at the Port of Charleston come from Northeast Asia. As such, local port volumes — and consequently logistics-related demand — could soften if tariffs on Chinese imports remain heightened. Despite this uncertainty, the market is slated to record positive net absorption in 2025, with supply and demand coming into alignment.

Investment remains focused on key submarkets. Transaction velocity increased 40 percent during the year ended in March, supporting a roughly 3 percent increase in the metro's average price per square foot. North Charleston continued to account for more than half of all trades, followed by Berkeley County with just under a third, similar to the year prior. Dorchester County, however, experienced a sharp uptick in deal flow. Rapid local inventory growth attracted out-of-state institutional buyers looking to acquire newer distribution centers at a potential discount to larger East Coast markets. Re-tenanting opportunities may continue emerging in these pockets, given the metro's vacancy rate, which ranked highest among major markets heading into April.

2025 MARKET FORECAST

NIPI RANK 14

Strong demographic trends and a development slowdown offset elevated vacancy, placing Charleston in the top 15.

+2.1%

EMPLOYMENT: Charleston adds 9,000 positions during 2025 — its smallest addition since 2019. Still, the metro's unemployment rate will remain well below its historical average of 4.8 percent.

2.2 million sq. ft.



CONSTRUCTION: This year's delivery slate is projected to total less than half of 2024's volume. Approximately three-quarters of the space slated for 2025 completion was online heading into April.

-40 bps



VACANCY: A sharp pullback in completions and an improvement in net absorption will help reduce vacancy to 14.3 percent by year-end, though this rate is still among the highest in the nation.

+3.5%



RENT: Tightening vacancy will help asking rents move up to an average of \$12.22 per square foot by year-end. This metric falls roughly 4.4 percent shy of early 2024's peak marketed rate.

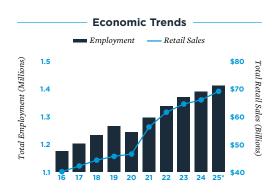
INVESTMENT:

Boeing's \$1 billion North Charleston expansion is expected to spur demand for nearby space among suppliers and logistics firms, generating buyer competition for listings adjacent to the assembly facilities.

Standout Demand in Select Areas Set to Draw Investment

Northeastern suburbs benefit from cooling delivery slate. Charlotte's total inventory grew by more than 10 percent over the past three years, as 30 million square feet delivered over that span. This supply influx pushed vacancy to 9.2 percent in March — the highest mark since early 2014. Yet relief could be coming, as deliveries in 2025 are set to decline to just over half of last year's total, translating into a 1.7 percent stock increase. Most of the construction underway as of June is focused in northeastern submarkets like Rowan County, Cabarrus County and North Charlotte. These areas are well-positioned to absorb new supply after recording some of the strongest demand last year. Cabarrus County saw particularly strong net absorption in early 2025, helping local vacancy decline by 460 basis points year over year. Its tenant base — largely composed of smaller manufacturing and distribution companies — along with supply constraints tied to strained sewer capacity, has aided in insulating fundamentals.

Buyer-seller expectations appear to be aligned. Elevated vacancy, tighter borrowing conditions and declining asking rents contributed to a nominal shift in the metro's average price per square foot over the past 12 months. While this signals near-term softness, it may attract investors seeking long-term holds, particularly as replacement costs rise and sellers adjust their expectations. In-state buyers helped improve overall sales velocity during the year ended in March and are poised to remain active, with institutional-grade opportunities likely to emerge following three straight years of elevated deliveries. At the submarket level, North Charlotte is positioned to lead the metro in closings. The return of rent growth here by year-end could assist this momentum, particularly in suburbs where strengthening demand is stabilizing fundamentals.





2025 MARKET FORECAST

NIPI RANK

Even with high vacancy heading into April, strong employment and revenue growth help Charlotte secure a top 5 ranking.

+1.6%



EMPLOYMENT: Charlotte is projected to tie for the fifth-fastest employment growth rate among major U.S. metros in 2025, as its job market is slated to expand by 22,000 new positions.

6.2 million sq. ft.



CONSTRUCTION: Development will drop to a four-year low in 2025, with inventory growing by 1.7 percent — down from 3.3 percent last year and roughly in line with the metro's long-term mean.

+70 bps



VACANCY: While tenant demand improves on a year-over-year basis, vacancy rises — albeit at a slower pace than in 2024. At 9.9 percent, year-end vacancy reaches a 13-year high.

+4.4%



RENT: After declining slightly last year, the metro's average asking rent rises in 2025. Charlotte's mean marketed rate of \$8.54 per square foot will rank lowest among major East Coast markets.

INVESTMENT:

Following elevated sales activity last year, private investors in Cabarrus County will likely continue targeting pre-2000 assets under \$5 million, supported by access to the key Interstate 85 corridor.











CHICAGO

Western Suburbs Lead Metrowide Performance, Drawing Accelerated Investment Activity

Rapid construction decline drives tightening market. Deliveries slated for 2025 will undercut the half-decade average by 70 percent, dropping below anticipated demand despite falling corporate confidence. With nearly half of 2025 completions fully leased as of June, supply pressures should be at their lowest in over a decade through year-end. In 2024, leasing concentrated in Chicago's northern and southern suburbs, led by agreements inked for over 1 million square feet each by Amazon, Samsung and Post Consumer Brands. This year, logistics and related companies will drive large-scale move-ins. RJW Logistics Group, C&Y Logistics and Uline have already occupied nearly 2 million square feet, with plans to collectively fill another 2.5 million square feet in the coming months. Meanwhile, sub-50,000 square-foot leases have maintained a wide spread across the metro, with heightened activity near Elk Grove Village, in the Glendale Heights-Addison area and along Interstate 55 from Bridgeport to Romeoville.

Small suburban footprints draw investor attention. Transaction velocity accelerated almost 40 percent during the 12 months ended in March on an annual basis. Amid heightened competition for listings, the average price per square foot continued to rise, exiting the first quarter at \$119. Meanwhile, as buyers and sellers came to terms with elevated borrowing costs, the mean cap rate rose to 7.7 percent for the first time since 2015. Preliminary second-quarter data suggests that Chicago's western suburbs remain a focal point for investors. The Interstate 88 corridor between Interstates 355 and 39, along with the area encompassing Interstates 80 and 55 to the southwest, accounted for over half of trades. Here, investors may find sub-50,000-square-foot, pre-2000-vintage assets adjacent to major thoroughfares for \$70 to \$100 per square foot.

2025 MARKET FORECAST

NIPI RANK

Sustained rent growth and relatively tight vacancy give Chicago an upper-tier placement in the 2025 Index.

+0.2%

EMPLOYMENT: Chicago's workforce expands by 10,000 roles in 2025 — a historically subdued figure for the metro. Amid a national slowdown, this is Chicago's fourth year of moderating job creation.

7.5 million sq. ft.



CONSTRUCTION: Completions will plummet by approximately 10 million square feet from 2024's tally as inventory expands by just 0.6 percent. This year's delivery volume is the smallest since 2013.

-10 bps



VACANCY: Local vacancy dips to 5.6 percent this year — the fifth-lowest rate among major U.S. industrial markets. This measure is 220 basis points below the metro's average vacancy since 2000.

+4.2%



RENT: Annual growth in Chicago's mean asking rent will exceed 4.0 percent for a seventh straight year, notably surpassing the national mark and ending 2025 at \$8.72 per square foot.

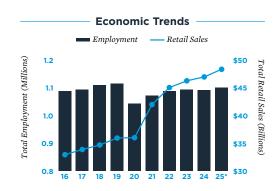
INVESTMENT:

The I-88 corridor entered April at 3.8 percent vacancy. As Chicago's second-largest submarket by inventory, the area's strong fundamentals and stock of smaller properties should sustain investor interest.

Tenants and Investors Favor Smaller Spaces and Core Locations Amid Uncertain Market Conditions

Small-bay demand gains traction despite broader slowdown. Leasing activity was subdued across Cleveland's industrial market in the first half of 2025, placing modest upward pressure on vacancy. Demand for large-format space has softened amid ongoing tariff uncertainty, particularly among manufacturing users. Notably, submarkets near the waterfront have experienced weaker absorption. Limited new supply, however, should help contain vacancy risk this year. Greater clarity around trade policy may also help reignite big-box leasing in the second half of 2025. Meanwhile, tenant demand for spaces under 50,000 square feet has picked up modestly, contributing to tightening vacancy in the metro's inner-ring suburbs. Centrally located areas such as Brooklyn and Bedford continue to attract smaller industrial users and last-mile distributors due to their proximity to major highways and population centers. Strengthened fundamentals in these submarkets should support firmer rent growth this year.

Buyers emphasize cash flow stability amid defensive investment climate. Trading activity has slowed in 2025 amid ongoing economic uncertainty and elevated borrowing costs. Private buyers have notably focused on acquiring warehouses in infill locations along the Interstate 480 corridor, drawn by the area's central positioning and tight supply. Small-bay vacancy across the metro remains below 3 percent, reinforcing investor interest in these properties. Meanwhile, following an uptick in institutional activity in late 2024, commitments exceeding \$20 million have declined. Many large buyers are now targeting high-yielding assets with in-place cash flows rather than pursuing speculative upside. Yet a steadier economic outlook and signs of firming tenant demand could renew interest in value-add opportunities and premium assets.





2025 MARKET FORECAST

NIPI RANK 11

Tight vacancy and limited new supply are keeping Cleveland's performance steady, placing it just outside the top 10 markets.

+0.7%



EMPLOYMENT: Improved health care and office-using hiring helps employment growth reach its fastest pace in three years. The metro will add 7,500 jobs, in-line with the 2015-2019 average.

1.4 million sq. ft.



CONSTRUCTION: Deliveries will rise this year but stay under the metro's prior 10-year average of 2 million square feet. Sherwin Williams' R&D center will make up half of the new supply.

+10 bps



VACANCY: Metro vacancy shifts moderately during 2025 as new supply slightly outpaces demand. At 3.5 percent, the local rate is expected to hold below 4 percent for a 10th straight year.

+0.7%



RENT: A limited vacant stock will support a modest rent increase, though this year's gain will remain well below the 2021-2023 average. Cleveland's mean asking rate reaches \$5.61 per square foot.

INVESTMENT:

The metro's expanding health care sector may attract more investors targeting flex space, with a Pathogen Research Center opening in Fairfax and a Cleveland Clinic hospital planned in Brecksville.











COLUMBUS

Investor Interest Builds as Manufacturing Growth Fuels Demand for Large-Block Industrial Space

Bulk leasing holds firm even as retail-related tenants scale back. Despite softer leasing activity across the metro, demand for big-box space in Columbus' eastern submarkets remains resilient. All 2 million square feet delivered in the first quarter of 2025 was pre-leased, including a 1 million-square-foot commitment in Licking County that helped push local vacancy down by 100 basis points early in the year. Similar tightening was recorded near John Glenn Columbus International Airport. Further south, Pickaway County is emerging as a bulk leasing hub; new distribution facilities for Coca-Cola and Anduril underscore the area's appeal to logistics users. By contrast, leasing has softened among consumer goods firms. Big Lots' planned exit from 3.9 million square feet of industrial space in the northwest is likely to push vacancy higher. Still, nearly 6 million square feet of large-format leases are scheduled for move-in during the second half of 2025, supporting occupancy levels as deliveries slow.

Sales surge ahead of manufacturing expansion. Preliminary data indicates investment over the nine months ended in June 2025 rose sharply, nearing 2021 peak levels. Driven by a resurgence in trades of assets over 100,000 square feet, Southeast Columbus has seen a marked rise in activity, anchored by major investments like Anduril's planned manufacturing facility. Investors have favored recently built warehouses and distribution centers with tenants inked to long-term leases. Tighter vacancy in infill locations has also drawn buyers pursuing value-add opportunities. Meanwhile, small-bay vacancy near 3 percent — well below the 10 percent rate for large-bay properties — should sustain investor interest in smaller assets. Many tenants seeking skilled labor continue to cluster near Ohio State University, keeping buyers active in the area.

2025 MARKET FORECAST

NIPI RANK 13

Steady job growth and vacancy below the national average will keep Columbus in the upper half of this year's rankings.

+0.9%

EMPLOYMENT: Job growth will edge up this year, with the addition of 11,000 new roles. A growing industrial base is expected to support hiring in manufacturing and business support services.

2.9 million sq. ft.

Y

CONSTRUCTION: Completions will decline to their lowest annual total since 2017, marking a substantial slowdown from the 2020-2023 average of roughly 11 million square feet per year.

+30 bps

VACANCY: Big Lots' planned move-out will impact local vacancy; however, the metro's rate will rise only slightly in 2025. At 7.1 percent, the year-end metric holds below the national average.

+2.7%

A

RENT: Easing vacancy pressure will allow asking rents to improve at a pace that mirrors last year. As such, the metro's average marketed rate reaches \$10.28 per square foot.

INVESTMENT:

The metro's northeast inner-ring is one of the 10-least vacant submarkets nationwide with at least 40 million square feet of inventory. Should conditions remain tight, competition for listings may increase.

Mixed Leasing Trends Emerge as Slower Development Opens the Door for Vacancy Compression

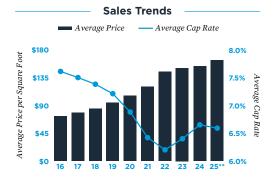
Falling deliveries and targeted demand fuel divergence. Industrial leasing activity in Dallas-Fort Worth softened in early 2025, but vacancy is still expected to tighten this year amid a sharp pullback in new supply. Northwest Dallas, near Dallas-Fort Worth International Airport (DFW), is where most new product will deliver. The area may face short-term volatility due to global trade exposure, though steady leasing from small-bay users should backstop fundamentals. Completions will also concentrate in North Fort Worth, but rising demand from distribution firms helped local vacancy fall nearly 300 basis points over the year ended in March, reinforcing a favorable outlook. Vacancy is also set to decline in East and South Dallas, as fewer deliveries in these submarkets help recently built speculative properties secure tenants. By contrast, net absorption will likely remain weak in Arlington and South Fort Worth, as consumer-facing tenants recalibrate space needs amid softer spending trends, including Walmart's recent decision to close its 100,000-square-foot e-commerce fulfillment center.

Infill areas draw focus, while Alliance sees investment rise. Sales activity has slowed in 2025 as investors shift their geographic focus. Arlington has posted three consecutive quarters of negative net absorption as of March, steering capital toward stronger submarkets to the north. Private buyers remain active in infill areas west of Downtown Dallas, where proximity to dense population centers attracts last-mile and small-bay tenants. Institutions have favored stabilized assets near DFW Airport, but trading has recently increased near Alliance in North Fort Worth. Ongoing infrastructure upgrades here — including the \$20 million Intermodal Parkway expansion and BNSF intermodal enhancements — will improve freight mobility, reinforcing tenant demand.





20 21



2025 MARKET FORECAST

NIPI RANK

Fewer deliveries and steady tenant demand are helping tighten vacancy, earning Dallas-Fort Worth a top-five spot.

+1.2%



5

EMPLOYMENT: The projected addition of 53,000 jobs in 2025 will roughly align with last year's total and is about half as many positions as were added on average from 2015 to 2019.

12.8 million sq. ft.



CONSTRUCTION: Completions reach the lowest level in over a decade, trailing the prior five-year average by 25 million square feet. As of June, about 40 percent of this year's deliveries were leased.

-40 bps



VACANCY: Easing supply pressure will support vacancy compression in 2025, following a 500-basis-point increase over the past two years. The metro's rate is expected to reach 9.5 percent by year-end.

+3.7%

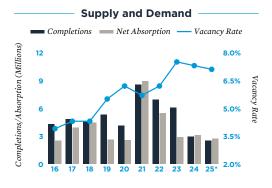


RENT: The metro records a sixth consecutive year of average asking rent growth as favorable supply-demand dynamics lift the local metric to \$12.53 per square foot.

INVESTMENT:

A \$72 million expansion at McKinney National Airport will support commercial air service by 2026, enhancing industrial capacity and likely attracting investors to nearby logistics and last-mile assets.

Economic Trends Employment — Retail Sales 1.7 \$90 Total Retail Sales (Billions) 1.5 \$70 (See (Billions)) 1.6 \$60 (See (Billions))







DENVER

Focus on Prime Location Drives Uneven Performance Across Denver Submarkets

Large occupiers help cushion leasing headwinds. Industrial leasing activity has slowed in 2025 amid elevated economic uncertainty. Commitments were inked for a total of just under 4 million square feet through midyear — down roughly 30 percent from the prior six months — as demand for larger-format space softened. Many firms are scaling back expansion plans, including Amprius Technologies, which put a 774,000-square-foot facility in Brighton back on the market after signing a lease in 2024. While caution may weigh on absorption in the near term, completions are projected to fall to their lowest annual total in over a decade, easing supply-side pressures. Moreover, the metro's affluent consumer base and expanding tech ecosystem should continue to attract retail- and tech-related distributors, as evidenced by recent commitments from T.J. Maxx and Sonepar. Meanwhile, the opening of facilities for PepsiCo and Philip Morris may bolster fundamentals and draw additional suppliers.

Investor focus returns to the core. Denver's industrial market recorded a surge in deal flow during late 2024; however, trading slowed sharply in 2025, based on preliminary data through June. Activity has notably declined in the metro's south section, particularly near Centennial and along the Interstate 25 corridor, where a sharp drop in sub-100,000-square-foot leasing was recently noted. In contrast, the Interstate 70 corridor is gaining favor among tenants for its newer inventory and central location, drawing investor interest. Buyers are also expected to stay active in West Denver near Arvada, where vacancy has held around 3 percent, supported by steady demand and minimal new supply. Amid softer leasing activity, assets priced below replacement cost should remain attractive, as will newer facilities with long-term tenants in place.

2025 MARKET FORECAST

NIPI RANK

A pullback in development and sustained tenant demand will place Denver among the top 10 markets in this year's Index.

+0.4%

EMPLOYMENT: Job growth will moderate this year, with the addition of 7,000 new roles. Manufacturing hiring has remained steady and should strengthen as new facilities come online later this year.

2.5 million sq. ft.



CONSTRUCTION: Completions will fall to about half the metro's prior 10-year average. Several manufacturing buildings and speculative warehouses compose the 2025 pipeline.

-20 bps



VACANCY: A slowdown in new supply should help vacancy ease to 7.1 percent this year, falling below the national average, though still 170 basis points above Denver's previous 10-year norm.

+3.2%



RENT: With vacancy projected to hold in the 7 percent range for a third straight year, rent growth is expected to improve slightly, pushing the metro's average asking rate up to \$11.23 per square foot.

INVESTMENT:

Home to a sizable roster of aerospace and advanced manufacturing firms, Broomfield and Westminster may draw increased buyer interest in the second half, especially if local vacancy continues to tighten.

Industrial Development Concentrated in Detroit's Northern Suburbs as Investors Favor Airport District

Demand finds footing, keeping vacancy tight amid another wave of completions. Heading into April, waning tenant demand in early 2025 pressured Detroit's vacancy, pushing the rate to its highest point since 2015. Fortunately, deliveries during the same interval fell by over 6 million square feet from the prior yearlong span, helping keep Detroit among the nation's three least vacant major metros. Completions are expected to pick back up slightly through the remainder of 2025, largely concentrated in northern suburbs along key transportation corridors such as Interstate 75 and Michigan Highway. Northwest Oakland County, the submarket encompassing much of the development along I-75, is better positioned to absorb this new supply, having recorded the strongest net absorption among suburban submarkets over the past year. Early second-quarter data also signals a shift in momentum, with net absorption becoming slightly positive following a sharp contraction early in the year. This dynamic is poised to hold vacancy steady over the back half of the year, supporting modest growth in asking rents.

Submarket's strength anchors investment. Detroit's average price per square foot climbed nearly 8 percent during the year ended in March — the fastest growth among major U.S. metros — even as total dollar volume of properties over \$20 million fell to its lowest level since 2019, indicating rising competition for listings among private investors. Meanwhile, overall transaction velocity ticked up, outpacing the 2015-2019 average by roughly 40 percent. This was especially evident in the Detroit Metro Airport submarket, where activity rose nearly 30 percent over the past 12 months — the largest increase among all Detroit submarkets. As of April, the area also held the metro's third-lowest vacancy rate, reinforcing its appeal among buyers moving forward.

Economic Trends Employment Retail Sales Cotal Employment (Millions) 2.2 2.1







2025 MARKET FORECAST

NIPI RANK 17

Low vacancy and a limited construction pipeline combine with out-migration headwinds to give Detroit a middle ranking.



EMPLOYMENT: Detroit's workforce is set to grow by 8,000 jobs in 2025 — a pace that lags behind the national average. Ongoing weakness in office-using sectors continues to temper year-end gains.

3.1 million sq. ft.



CONSTRUCTION: Total inventory will expand by just 0.5 percent in 2025, about half of the metro's trailing 10-year average and among the slowest rates of major U.S. markets.

+40 bps



VACANCY: The start of 2025 marked the metro's weakest guarterly net absorption since 2010, pushing vacancy up to 4.7 percent. The rate, however, is expected to hold through year-end.

+2.4%



RENT: The average asking rent is projected to reach \$7.74 per square foot in 2025, rising at roughly the same pace as last year, though three times faster than the national rate.

INVESTMENT:

Port Huron container volumes have surged roughly 50 percent since 2019, positioning the Interstate 94 corridor and surrounding industrial parks between the port and Detroit as a target for investment.

Economic Trends Employment — Retail Sales 1.0 \$75 Total Retail Sales \$65 tetail Sales (Billions) \$55 total Retail Sales (Billions)







FORT LAUDERDALE

Outlook Optimistic for Tenant and Investment Demand In Northern Broward County Amid Headwinds

Pockets of leasing strength emerge despite broader softness. Fort Lauderdale's industrial vacancy rose 60 basis points to 5.8 percent in the first quarter of 2025 as weaker demand from manufacturing and logistics users weighed on net absorption. Southwest Broward, Coral Springs and Sunrise saw sharp vacancy increases, though recent commitments by Transpire Bio and Arnet Pharmaceutical reflect a diversifying tenant base that may uphold fundamentals. In contrast, vacancy near Port Everglades held flat in early 2025, but near-term rollover risk could challenge that stability. Many recent move-ins were by tenants occupying warehouses on one-year terms amid tariff-related inventory shifts. Meanwhile, demand has held firm across northern infill areas, where increased leasing of 10,000- to 50,000-square-foot spaces should aid future absorption. A 600,000-square-foot speculative project delivering in Pompano Beach may skew availability, however, as it will increase the submarket's stock by 2.2 percent.

Investors shifts north. After a surge in institutional activity in late 2024, large-scale transactions slowed in early 2025, though preliminary second-quarter data points to a rebound. Trade-related volatility is likely to affect near-term investor demand for port-adjacent listings, as buyers have shifted focus to northern areas like Pompano Beach, where more stable tenant demand has helped preserve moderate rent growth. A few investors have also targeted Miramar and Pembroke Pines, drawn by limited development and proximity to Miami-Dade. Buyers seeking small-bay assets are also aiming at less port-exposed assets. Warehouses in Coral Springs and Sunrise may continue to gain appeal, helped by ongoing infrastructure upgrades, such as expansions to the Sawgrass Expressway and Sunrise Boulevard-Interstate 95 interchange.

2025 MARKET FORECAST

NIPI RANK

Fort Lauderdale earns a top 10 ranking, driven by tight vacancy and a growing population that draws regional suppliers.

+1.0%

EMPLOYMENT: Job growth is expected to slightly exceed 2024's tally, with 9,000 roles added. While manufacturing firms shed jobs in early 2025, health care-related hiring remained stable.

1.1 million sq. ft.



CONSTRUCTION: The metro's inventory expands by 1.0 percent for a second straight year, with deliveries down roughly 50 percent from the 2018 to 2022 average.

+80 bps



VACANCY: Following a sharp first-quarter increase, metro vacancy is on track to reach 6.0 percent by year-end. Nevertheless, this represents the seventh-lowest rate among major U.S. markets.

F1.1%



RENT: Asking rent growth is expected to trough in mid-2025 and recover by year-end as tenant demand stabilizes and new supply stays limited, lifting the average mark to \$17.88 per square foot.

INVESTMENT:

Investment in larger properties may rise, as vacancy for assets over 100,000 square feet stood at 5.8 percent in June — roughly 260 basis points below the rate for 50,000- to 100,000-square-foot properties.

Supply Chain Improvements and Strategic Investment Reinforce Houston's Future Prospects

Port strength and infrastructure upgrades sustain positive momentum. The Port of Houston carried its strong performance from 2024 into this year, with trade policy shifts having limited impact on port activity through June. A diverse mix of cargo types has helped insulate the port from steeper volume declines, especially compared with West Coast hubs more reliant on Chinese-related trade. This diversity also reduces vulnerability to tariffs targeting specific categories of goods. The metro's industrial market resilience is further reinforced by infrastructure expansion at George Bush Intercontinental Airport, which includes enhanced cargo capacity and freight-related runway improvements. These strengths, combined with favorable employment and population trends, have supported consistent demand. As such, net absorption will keep pace with new supply across 2024 and 2025, positioning Houston as one of only two major industrial markets to record vacancy compression in both years.

Investor interest concentrates near growth nodes. Houston remains one of the most active industrial markets in the U.S., ranking second nationwide in total transactions during the 12 months ended in March. Recent trading was concentrated around the southern TX-8 Beltway and the Bush Intercontinental Airport area, reflecting heightened interest in areas benefiting from major infrastructure upgrades. Notably, despite leading the metro in inventory growth last year, the Southern Corridor — which includes parts of the Beltway - still recorded a meaningful vacancy decline and steady rent growth. These dynamics that are likely to steer active investors to area listings in the second half. Meanwhile, Foxconn's expansion in northwest Houston is driving additional sales in that submarket, positioning the area for sustained investor demand.

Economic Trends Employment Retail Sales otal Employment (Millions)



Rent Trends Y-O-Y Percent Change - Average Rent \$10 Average Asking Rent per Sq. Ft. 20



2025 MARKET FORECAST

NIPI RANK

Solid demographic and retail sales growth, combined with vacancy compression, garners Houston a top 10 ranking.

+1.4%



8

EMPLOYMENT: Job growth will improve after a slower 2024, with 48,000 positions added across sectors — the third-largest gain among all major U.S. markets this year.

16.8 million sq. ft.



CONSTRUCTION: Houston will trail only Atlanta in industrial deliveries this year, with inventory up 2.4 percent metrowide. The biggest additions will be in the Southeast Corridor.

-10 bps



VACANCY: Metro vacancy will tick down for a second straight year, though only slightly. At 6.4 percent, the metro's year-end rate will be notably below that of Dallas-Fort Worth and Austin.

+1.6%



RENT: Steady tenant demand will lift asking rents for sixth consecutive year. At \$9.27 per square foot, the metro's year-end average ranks as one of the lowest among primary U.S. markets.

INVESTMENT:

Tesla's plans to construct a megafactory in Waller County could spark investment in the industrial corridor west of Katy - a submarket with relatively limited sales activity as of late.







INDIANAPOLIS

Perimeter Areas Leading in Vacancy Inflection, Drawing Investor Attention

Supply pressures eases as leasing catches up. Indianapolis has faced elevated deliveries since 2022. The metro's vacancy rate has more than doubled in the last three years, rising to the highest level among major Midwestern markets in 2024. This year, however, the total deliveries will shrink to less than half of 2024's volume and about one-eighth of the record levels in 2022 and 2023. With net absorption projected to outpace completions for the first time in three years, vacancy is expected to drop. Some outer submarkets in the west and south are already seeing year-over-year vacancy declines, led by West Hendricks County, where strong demand cut vacancy by 500 basis points. The new Sephora Midwest Distribution Center under construction there will account for more than a quarter of the metro's new openings this year.

Investor demand shifts to outlying interstate corridors. The metro's position as a Midwest distribution hub continues to support its status as one of the most-traded tertiary industrial markets. Transaction velocity held stable over the 12 months ended in March compared with the previous year, with more investment activity condensing along the metro's edges, where land is available and new supply meets demand. This is most visible east along Interstate 70 near Greenfield, west along I-70 in Plainfield and northwest along Interstate 65 around Lebanon. Access to post-2010 builds near major interstates and regional consumers will likely sustain this interest going forward. With Indianapolis posting the second-highest average cap rate among major U.S. metros at 8.6 percent in the 12-month period ended in March, investors stay attracted to the metro's mix of modern distribution assets and higher yields, especially in growing submarkets where tenant expansion and lower costs aid stable income and future upside.

2025 MARKET FORECAST

NIPI RANK 18

Indianapolis secures a top-half placement in the 2025 Index, backed by strong job growth and a reversing vacancy trend.

+1.5%

sq. ft.

EMPLOYMENT: Indianapolis is expected to add 18,000 jobs in 2025 — one of the fastest growth rates among all major U.S. metros — as hiring rebounds after a slower 2024.

2.6 million

Y

CONSTRUCTION: This year's construction pipeline will shrink notably, with inventory expanding just 0.7 percent — the metro's smallest annual increase in more than a decade.

-10 bps



VACANCY: With fewer completions and steady tenant demand, vacancy will edge down to 9.2 percent, following a nearly 500-basis-point rise over the past two years.

-1.9%



RENT: While trending down, vacancy is still elevated, weighing on rents. At \$6.84 per square foot, Indianapolis remains among the five most affordable major industrial markets in the U.S.

INVESTMENT:

Sales activity rose around Anderson in the northeast over the past year. Located on Interstate 69 toward Detroit, the area draws investors as a growing logistics hub with lower industrial land costs.

Port Improvements Support Postive Outlook Amid Strengthening Investor Activity

Construction surge continues as leasing activity picks up. During the 12 months ended in March, elevated new supply coincided with softening demand, pushing Jacksonville's vacancy rate up by 150 basis points. Pressure on the metro's fundamentals will likely be short-lived, however, as the total square footage leased in the first five months of 2025 marked a roughly 50 percent increase compared with the prior five-month period. Meanwhile, the Jacksonville Port continues to expand its capabilities, having completed the first phase of a \$60 million berth project in February. Another berth is under construction and set to deliver in 2027. While a notable gain in import volume has yet to materialize, these upgrades are designed to support increased efficiency for auto manufacturers and provide additional capacity to accommodate growth in the years ahead. The anticipated added freight volume from these investments warrants ongoing industrial space additions, despite the short-term pressure on vacancy. Even so, Jacksonville's vacancy rate is expected to remain among the lowest 20 percent of major metros by year-end.

Deal flow gains momentum. Investment appeal in Jacksonville became stronger in 2025. During the year ended in March, the metro's transaction velocity outpaced the previous 12-month period by 40 percent, while total dollar volume grew by 60 percent. Properties in the \$20 million-and-up range accounted for over half of this volume. Activity was heavily concentrated in infill locations with strong connectivity. After recording sharp increases in trading last year, relatively low vacancy rates in Riverside — especially along the Interstate 10 corridor — and Ocean Way will help these submarkets remain well positioned. Additionally, the Southeast corridor along U.S. Route 1 saw a notable number of sub-\$5 million transactions — a dynamic likely to hold for the near future.

Economic Trends Employment Retail Sales 0.85 Cotal Employment (Millions) 0.80 0.75







2025 MARKET FORECAST

NIPI RANK

Low vacancy and infrastructure improvements will help offset the effects of Jacksonville's sizeable inventory expansion.

+1.4%

sq.ft.

A

EMPLOYMENT: Jacksonville's employment base is set to expand by 11,000 positions in 2025 - a slight deceleration from last year's growth, largely driven by weakness in the financial sector.

3.5 million



CONSTRUCTION: Deliveries in 2025 will decline for the second consecutive year, though openings will still represent the fourth-largest inventory percentage gain among major metros.

+20 bps



VACANCY: A modest uptick in vacancy will lift the metro's rate to 5.8 percent. While still the lowest measure among major Florida markets, it is Jacksonville's highest level since 2020.

+4.4%



RENT: The average asking rent here will reach \$10.77 per square foot by year-end, reflecting one of the nation's fastest growth rates, although this still trails neighboring Orlando's 7.1 percent gain.

INVESTMENT:

Investment appeal in Jacksonville's North Side may pick up; the submarket was second among local submarkets in net absorption last year and has seen no development since early 2023.

Total Employment (Millions)







LAS VEGAS

Supply Headwinds Persist in North Las Vegas as Investors Remain Active Along Key Corridors

Speculative construction outpaces demand, pushing vacancy higher. Las Vegas saw its inventory expand by 8 percent last year, as many developers were attracted by the metro's sub-5 percent vacancy in 2022. Of the space delivered in 2024, about two-thirds remained vacant as of June 2025, resulting in vacancy above 10 percent. If these facilities were to lease-up, it would reduce the rate by half. Most unoccupied buildings are warehouse and distribution facilities in North Las Vegas. Vacancy there jumped by over 300 basis points year over year in March. Although construction will slow this year, the backlog of available space continues to weigh on the market. Net absorption is muted as well, expected to stay below 1 million square feet for a second year as tariff-related uncertainty keeps leasing activity subdued. Over time, however, the market's supply overhang in the north is set to be absorbed, supported by tenants serving local consumers. The metro is projected to rank among the top 15 major markets in population growth over the next five years, reinforcing industrial space demand.

Investment activity stays healthy despite supply challenges. Transaction velocity rose about 20 percent in the 12 months ended in March compared with the previous year, reflecting sustained investor appetite despite elevated vacancy. The metro's average cap rate held about 110 basis points below the national mean at 5.8 percent in March, underscoring confidence in Las Vegas' logistics appeal. Still, the metric remains higher than most major California markets, attracting out-of-state buyers. As Las Vegas is an emerging regional distribution hub, trades are likely to concentrate along the Interstate 15 corridor and near the airport. Recent additional trading along the Interstate 11 corridor may signal investor interest beyond traditional nodes.

2025 MARKET FORECAST

NIPI RANK 32

An elevated vacancy rate and ongoing supply pressure weigh on Las Vegas, despite a top 10 rate of household growth.

-0.4%

Y

EMPLOYMENT: After several years of strong job growth since the pandemic, the metro is expected to see a slight employment adjustment. A loss of 5,000 jobs is forecasted for 2025.

5 million sq. ft.

Y

CONSTRUCTION: Even with this year's pipeline being less than half the volume seen in 2024, at 3.4 percent, Las Vegas ranks third among major U.S. markets for inventory growth.

+230 bps



VACANCY: Demand remains weak relative to supply, pushing vacancy up to 12.4 percent. The metro will post the largest year-over-year increase in vacancy of any major market nationwide.

-1.1%



RENT: Elevated vacancy will weight on rents, with the average asking rate declining to about \$13.08 per square foot — the first annual drop since 2020.

INVESTMENT:

The Apex area along the Interstate 15 corridor in the northeast has experienced a ten-fold inventory increase over two years. Investors may find opportunities here as industrial traffic to Utah accelerates.

Signs of Stabilization Emerge in Los Angeles' Industrial Market Despite Trade-Related Headwinds

Improving demand trends could be hampered by looming tariffs. Los Angeles recorded positive net absorption during the first quarter of 2025, ending a three-year stretch where quarterly relinquishments surpassed move-ins and renewals. Demand improvement was most apparent in Antelope Valley, where the completion of a 1 million-square-foot Trader Joe's distribution center underscores the submarket's growing strategic appeal. Westside and Central Los Angeles also posted year-over-year declines in vacancy in the first quarter, supported by increased leasing activity near Los Angeles International Airport. South Bay showed similar demand strength, though more than half of the space delivered since 2023 is still vacant. Home to the Port of Los Angeles — where roughly half of all cargo volume is tied to China — South Bay is particularly exposed to trade policy uncertainty, though the effects could extend across the broader metro. As such, metrowide net absorption will remain negative in 2025, with vacancy expected to reach its highest level in at least 30 years.

Private buyers step in as institutions stay cautious. Transaction velocity held steady during the 12 months ended in March compared with the previous year. While cap rates edged up during this span, the metro's 5.4 percent average remained among the five lowest in major U.S. markets, reflecting confidence in Los Angeles' long-term prospects despite near-term challenges. A shift in buyer composition is underway, as institutional owners are increasingly divesting amid rising risk and price sensitivity. In turn, private buyers, particularly owner-users, are stepping in, drawn by softening prices and the opportunity to secure space in high-barrier infill areas. These buyers typically hold longer horizons and are less deterred by short-term market fluctuations.

Economic Trends Employment — Retail Sales \$ 5.0 \$ \$350 \$







2025 MARKET FORECAST

NIPI RANK 31

Anticipated job losses in 2025 place Los Angeles behind other markets, despite relatively modest inventory growth.

-0.3%



EMPLOYMENT: Los Angeles is forecast to lose 15,000 jobs in 2025 — the largest decline among major U.S. metros — driven by weaknesses in manufacturing, construction and white-collar sectors.

5 million sq. ft.



CONSTRUCTION: Deliveries remain steady, growing inventory by 0.6 percent. The volume of space added is on par with the metro's prior 10-year average of approximately 4.9 million square feet.

+120 bps



VACANCY: Demand continues to trail supply, pushing local vacancy to 7.7 percent by year-end. While historically elevated, the metro's rate is lower than 18 other major markets.

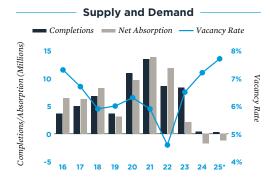
-1.6%



RENT: Heightened vacancy will keep asking rents under pressure. As such, the metro's average falls for a third straight year, albeit at a notably slower pace than last year, to \$23.25 per square foot.

INVESTMENT:

San Fernando Valley's vacancy rate has tripled since 2022, driven by the entertainment industry's pullback from Los Angeles. Expanded state incentives launching in July could help stabilize demand.







MEMPHIS

Northeast, Southeast Memphis Stand Out as Metro Navigates Period of Normalization

Supply and demand continue to undercut recent norms. The local industrial sector is facing a transitional period as developers and tenants experience post-pandemic rebalancing. Completions from 2020 to 2023 totaled 41.3 million square feet and was met with net absorption of roughly 37.4 million square feet. Yet demand began softening in the second half 2023 — a trend which has carried into the first quarter this year. Deliveries in 2025 will hit a 15-year low, but net absorption is expected to remain negative, resulting in a third straight annual vacancy rise. Still, the metrowide rate will stay 170 basis points below the post-2000 average. As the only submarket with more than 10 million square feet in inventory to post vacancy drops in each of the last two years, Northeast Memphis has been the most resistant to the ongoing slowdown. Bolstered by its position near Interstates 40, 269 and 240, Northeast Memphis exited March with vacancy at 4.0 percent ahead of scheduled move-ins by xAI, LifeScience Logistics and GE Vernova totaling over 2.2 million square feet.

Higher yields sustain deal flow; Southeast Memphis a focal point. Memphis' mean cap rate of 8.3 percent over the 12 months ended in March was the third highest of any major metro. Meanwhile, the average price per square foot was the third lowest among major markets at \$86. Higher yields helped transaction velocity hold steady year over year; however, the number of deals inked above \$10 million tripled, as large organizations accounted for a higher proportion of activity. Private investors remained most active in Southeast Memphis, which accounted for roughly 60 percent of deal flow. Upcoming activity is likely to cluster heavily around Memphis International Airport and Olive Branch Airport, as well as within one to two miles of nearby thoroughfares.

2025 MARKET FORECAST

NIPI RANK 20

Softer rent growth and hiring weigh against limited deliveries, placing Memphis near the middle of the Index for 2025.

+0.3%

EMPLOYMENT: The addition of 2,200 new positions this year is poised to largely reverse the losses posted in 2024. The trade, transportation and utilities sectors have led hiring so far in 2025.

320,000 *sq. ft.*

Y

CONSTRUCTION: Total completions slated for this year will fall to less than 4 percent of the trailing half-decade average, aligning with 2024's total to mark another historic low in annual deliveries.

+50 bps

A

VACANCY: The metro is expected to post a second year of net relinquishment as vacancy rises to 7.7 percent by year-end, just 10 basis points above the anticipated national rate for 2025.

+0.7%



RENT: Despite a third consecutive year of rising vacancy, Memphis will sustain a moderate increase in marketed rents. The asking rate will rise to an average of \$6.82 per square foot by December.

INVESTMENT:

Northeast Memphis' investment profile may benefit from Ford's Blue-Oval City campus in Stanton. Beginning production in 2027, the plant could bolster local demand from logistics and support companies.

Diverging Leasing Trends Persist as Slower Build-Out Rate Supports Market Rebalancing

Northwest Dade poised for recovery, while leasing moderates near MIA. Miami's industrial market faced a supply-demand imbalance in early 2025; however, fundamentals are expected to stabilize as completions slow through year-end and lease commitments inked during the first quarter begin occupancy later in 2025. Large agreements by e-commerce and food-related users — including Amazon and Garland Foods, each taking around 200,000 square feet — should benefit northern submarkets that have grappled with recent supply infusions. These include North Miami Beach, Outlying Dade County and Medley. Meanwhile, the Miami International Airport (MIA) corridor faces greater near-term risk. Here, demand has recently cooled for spaces ranging from 10,000 to 50,000 square feet. With another wave of speculative deliveries expected in this area later this year, local vacancy has the potential to rise over the near term. Yet airport-proximate spaces smaller than 10,000 square feet should continue to readily lease-up as tenant demand for cost-effective floorplans has stayed strong among locally based companies.

Kendall's growth as an aerospace hub draws investment. Small-bay properties remain favored by investors, with vacancy holding near 3 percent — well below the 8 percent rate for larger buildings. Portfolio sales involving these assets are expected to stay active. Buyers may continue to focus on small-bay space near Miami International Airport (MIA), though interest is growing in Kendall. The area recently recorded its strongest net absorption total in three years — a potential reaction to Miami-Dade County advancing plans to build a new George T. Baker Aviation Technical College. The county is also seeking a spaceport designation for Miami Executive Airport, which would unlock incentives for aerospace firms and further enhance the area's appeal.

Economic Trends Employment — Retail Sales 1.4 \$90 Total Retail Sales \$80 \$1.4 \$70 \$60 \$1.0 \$







2025 MARKET FORECAST

NIPI RANK

An expanding economy is driving industrial demand as development remains limited, giving Miami-Dade the top ranking.

+1.5%



EMPLOYMENT: Miami employers will add 20,000 jobs in 2025. Growth is expected in retail-related and business support services fields, while manufacturing and construction may continue to lag.

2.3 million sq. ft.



CONSTRUCTION: Completions will fall around 60 percent below the metro's prior three-year average. Most project openings are speculative and near MIA or in the northwest suburbs.

+40 bps



VACANCY: Fewer project openings will help slow the pace of vacancy expansion. Still, the metro's rate will rise to 6.0 percent — 220 basis points above the mean for the previous 10 years.

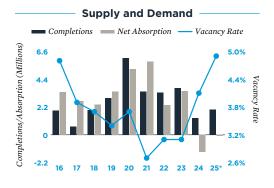
+2.8%



RENT: Reduced competition from new supply and the return of positive net absorption translate into upward rent movement, as the metro's average asking rate reaches \$18.20 per square foot.

INVESTMENT:

Infill corridors, such as Allapattah and Little River, are commanding some of the highest industrial asking rents of any U.S. submarket outside of New York and California, potentially drawing investors.







MILWAUKEE

Top-Four Occupancy Holds Investor Interest as Limited Construction Backstops Softer Leasing

Headwinds for older stock amid tapering speculative development. Milwaukee's industrial market recorded one of the slowest rates of inventory growth in the nation during the year ended in March. Local vacancy still rose substantially, however, largely due to tenant move-outs from facilities built prior to 1980. Nevertheless, the metro still held the fourth-highest occupancy level among major U.S. markets heading into April. This year's delivery slate will be slightly larger than last year's, though still only about half the annual average between 2019 and 2023, which was 3.9 million square feet. Over three-quarters of the additions will consist of manufacturing plants with floorplans exceeding 125,000 square feet, most of which are build-to-suit. The recent slowdown in speculative development may help ease rising vacancy, while more stable tenant demand will likely support a return to positive quarterly absorption in the second half of 2025. As such, the metro's average asking rent is projected to maintain momentum after growing at the third-fastest rate among major markets last year.

Investment gains traction as average market time dips. An increase in the average asking rent has helped attract investment during the year ended in March, pushing transaction velocity to its highest level since 2022. At the same time, the average number of days on market fell roughly 35 percent from the previous year, with Washington and Waukesha counties recording the largest annual declines. The metro noting the second-lowest average price per square foot among major metros could help sustain interest among buyers seeking lower entry costs, especially as lending conditions remain tight. This may support continued interest from out-of-market and larger investors, who have become more active over the past two quarters following a yearlong lull.

2025 MARKET FORECAST

NIPI RANK 19

Nationally low vacancy combines with slowing household formation to give Milwaukee a middle Index spot this year.

+0.8%

EMPLOYMENT: Milwaukee will welcome 7,000 jobs this year, translating into growth of 0.8 percent. While an improvement from the prior two years, this is still slightly below the national pace.

2 million sq. ft.

CONSTRUCTION: Inventory growth of 0.8 percent will rank in the bottom third of major markets for 2025. Around 35 percent of additions came from three manufacturing plants along Interstate 41.

+80 bps



VACANCY: Slow inventory growth will help ease pressure after vacancy jumped 110 basis points in the first quarter. The rate is expected to dip 30 basis points to 4.9 percent by year-end.

+4.4%



RENT: Nationally tight vacancy continues to fuel asking rent growth this year. The metric is expected to reach \$6.19 per square foot — still one of the lowest average rates among major markets.

INVESTMENT:

Transaction activity in Washington County may keep rising after tripling during the year ended in March. Despite leading the metro in completions, it was the only submarket to post a decline in vacancy.

Broadening User Base Sustains Investor Interest in the Twin Cities

Manufacturing growth underpins strong absorption trends. The Minneapolis-St. Paul industrial market is set to strengthen through 2025, driven by fewer completions and major tenant commitments. States Manufacturing's 500,000-square-foot move-in, for example, helped push vacancy in the northwest submarket down 170 basis points in the first quarter. Further momentum is expected with the forthcoming Minnesota Science and Technology Center, which will be anchored by Boston Scientific and BAE Systems. Elsewhere, upcoming move-ins from McKesson, Nuvaira and Avonix Imaging reflect a growing health care ecosystem, while PAR Systems' planned facility signals sustained defense sector investment. Expansions by battery storage and solar energy firms further highlight the metro's diversifying tenant mix. Although east and southeast suburbs have seen less manufacturing demand, limited deliveries and steady interest here from logistics providers should help stabilize conditions — particularly in east St. Paul. Here, vacancy remains above 10 percent after a supply surge.

Industrial investment expands across the supply chain. Investment activity returned to 2022 peak levels in 2024 and has stayed elevated through mid-2025. Private capital are still targeting airport-adjacent warehouses, while northern suburbs have seen increased focus on manufacturing assets, which saw preliminary vacancy of just 2 percent in June. Infill industrial nodes have also gained interest. Investment in these areas may accelerate following nearly 700,000 square feet of leases inked through June — more than double the prior six-month total. Institutional investors, meanwhile, may continue to focus on recently delivered warehouse and distribution facilities in north and southwest corridors, where big-box industrial vacancy is holding near 5 percent.



2025 MARKET FORECAST

NIPI RANK

Minneapolis-St. Paul climbs to second place this year amid limited vacancy and growth in advanced manufacturing.

+0.5%



2

EMPLOYMENT: Metro employers will add 10,000 jobs in 2025, with manufacturing expected to lead gains after a strong start to the year. Warehouse and transportation roles will also support growth.

1.7 million sq. ft.



CONSTRUCTION: Completions, which began slowing in late 2024, are projected to fall nearly 70 percent from the trailing five-year average, marking the lowest annual total in over a decade.

-30 bps



VACANCY: After two years of rising vacancy, the metro's rate is set to fall to 4.0 percent in 2025 — just 130 basis points above its all-time low and the second-lowest metric among major U.S. markets.

+3.2%



RENT: Tightening vacancy and steady tenant demand will drive the nation's ninth-fastest pace of rent growth in 2025, with the metro's average asking rate reaching \$9.04 per square foot.

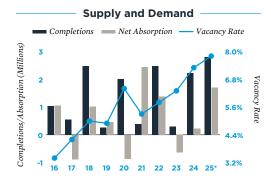
INVESTMENT:

At 2.1 percent, the North Central submarket along Interstate 35W holds the nation's second-lowest vacancy rate of the submarkets with at least 20 million square feet of inventory, attracting active buyers.





Economic Trends Employment Retail Sales \$210 Total Retail Sales \$190 \$170 (Sullilions) \$170 (Sullilions) \$150 (Sullilions)







NEW YORK CITY

Fewer Expected Deliveries and Stricter Zoning Laws Reinforce the Appeal of Large-Bay Investments

Slower second-half build-outs ease vacancy pressure amid soft leasing. New York City's vacancy rose to a two-decade high in the first quarter of 2025, driven by muted demand for large-format space and a record supply surge over the past six months ended in March. Nearly 4 million square feet delivered in that span, yet only 1.4 million square feet remains under construction — one-third of which is in Staten Island, where a 3.3 percent vacancy rate suggests new supply will be well received. The sharp development pullback should ease pressure in the Bronx, South Brooklyn and Northwest Queens, where vacancy hovers near 10 percent. After the metro posted the nation's fastest job growth rate last year, demand from tenants serving the local population should hold firm. Tariff-related uncertainty also spurred leasing near the South Brooklyn Marine Terminal, which could continue if trade volatility with Asia persists, particularly as Red Hook's upgraded port capacity is expected to be upgraded by 2027.

Special permits deter developers, fueling competition for built space. New requirements taking effect in late 2025 will shift most logistics and warehouse developments over 50,000 square feet from as-of-right zoning to discretionary review. This change introduces entitlement risk and will likely deter future development. Reduced new supply may support fundamentals for existing assets and sustain institutional interest in big-box warehouses, building on the stronger deal flow seen so far this year. Meanwhile, private buyer activity has moderated after 2024's surge, with greater focus on stabilized properties, including manufacturing assets backed by long-term tenants. Brooklyn and Queens neighborhoods, such as Long Island City and Crown Heights, may continue to see steadier investment due to their proximity to high-income consumer bases.

2025 MARKET FORECAST

NIPI RANK 34

Recent bulk deliveries are weighing on vacancy as soft business sentiment slows absorption, giving New York a lower ranking.

+1.2%

EMPLOYMENT: Job growth will slow in 2025, with 60,000 new positions projected. The health care sector is set to lead hiring, and transportation and warehousing should post steady gains.

2.8 million sq. ft.



CONSTRUCTION: While deliveries edge past last year to set a new record, openings were front-loaded by FedEx's 1.8 million-square-foot facility and a 700,000-square-foot speculative warehouse.

+50 bps



VACANCY: Vacancy will rise for a fourth straight year, though at a slower pace as the development pipeline thins through the rest of 2025. The metro's rate is expected to reach 7.8 percent.

+2.9%



RENT: Rent growth will remain modest amid rising vacancy, but 2025 is set to mark the fifth straight year of gains near or above 3 percent, lifting the average asking rate to \$26.15 per square foot.

INVESTMENT:

The planned Hunts Point Marine Terminal in The Bronx — set for completion by 2030 — is expected to expand industrial freight capacity, potentially drawing investors anticipating long-term upside.

Economic Uncertainty Tempers Big-Box Leasing as Affluent Consumers Bolster Last-Mile Demand

Large-bay demand slows, urban infill holds firm. Following a wave of move-outs in 2023 and early 2024, New Jersey's industrial market began 2025 on steadier footing. Net absorption stayed positive for a third straight quarter during the first three months of this year, easing vacancy pressures amid a slowdown in new supply. A further decline in openings this year should support rebalancing despite trade-related volatility. Ongoing interest from last-mile and e-commerce users should help Bergen and Union counties remain more resilient. Notably, Union County has seen relatively steady big-box leasing, positioning it for solid occupancy gains amid limited deliveries and major move-ins, including several for more than 350,000 square feet. Nevertheless, large-bay leasing has slow sharply, with a minimal number of leases inked for spaces larger than 100,000 square feet during the first half of this year. Port-adjacent demand has softened in Essex and Hudson counties, while Morris and Passaic counties are seeing more cautious expansion. These trends could pressure near-term fundamentals if firms begin returning space to the market.

Trade frictions steer capital toward inland hubs and small-bay assets. Investment activity has moderated through midyear 2025 amid heightened trade-related uncertainty, with port-adjacent big-box listings most impacted. Inland distribution hubs less exposed to global trade flows have gained favor among large investors, with Middlesex County recording a notable surge in transactions. Meanwhile, buyers focused on small-bay assets have prioritized infill locations such as Bergen and Union counties, supporting steadier deal flow in these areas. Average asking rents in both counties have climbed by more than 50 percent since 2020, sustaining investor interest in high-vacancy assets and repositioning strategies that enable lease-up at current market rates.







2025 MARKET FORECAST

NIPI RANK 10

Vacancy is expected to remain tight as port volatility centers on the West Coast, earning Northern New Jersey a top-10 ranking.

+0.7%



EMPLOYMENT: Job growth slows in 2025, though the 7,500 new roles added is in line with the 2015-2019 norm. Industrial-related hiring has held steady of late but may ease if big-box demand wanes.

2.5 million sq. ft.



CONSTRUCTION: After over 11 million square feet delivered across 2023 and 2024, completions drop sharply in 2025, with 0.6 percent inventory growth matching the 2016-2022 annual average.

+40 bps



VACANCY: Easing supply pressures should help limit vacancy expansion despite softer leasing activity. The metro's rate will reach 6.3 percent — the lowest among major Northeast markets.

+2.0%



RENT: Rent growth is set to resume after the average asking rate declined slightly in 2024. At \$14.74 per square foot, the metro will end this year with the nation's eighth-highest marketed rent.

INVESTMENT:

A \$444 million contract awarded in April to replace the damaged Raritan River Bridge in Middlesex County will improve north-south freight access and may draw buyers to nearby Union County.

OAKLAND

Small-Bay Urban Assets Resilient in Oakland Amid Demand Weakness in Older Parts of the Metro

Small-bay demand offsets big-box weakness. Oakland has posted negative net absorption of industrial space for the past two years, driving vacancy above 8.5 percent as of March, even amid moderate inventory growth. As e-commerce demand cooled and tenants downsized, interest in large-box space has faded, while demand for small-bay spaces near urban cores has held up. This national trend is especially evident in Oakland, where infill supply is tight and in high demand due to limited land and dense population. This divergence has widened the gap in vacancy; the rate for properties between 10,000 and 50,000 square feet remains near 7 percent as of June but exceeds 10 percent for floorplans over 100,000 square feet. Leasing in the first half of 2025 was concentrated in San Leandro, Hayward and Fremont, driven largely by service and manufacturing tenants, who account for over half of new commitments. Steady light industrial demand is expected to continue supporting the market despite trade policy headwinds, as the metro recorded positive net absorption in the first quarter of 2025.

Investors focus on infill submarkets. Transaction activity has slowed slightly over the past two years, mainly due to a drop in sub-\$10 million deals. The average cap rate rose to 5.9 percent over the past 12 months — the highest among West Coast port markets — reflecting investors' need for higher returns amid softer fundamentals and elevated borrowing costs. Despite developer's concentration in the Berkeley area, sales trends align with leasing and focus on San Leandro and Fremont, with emerging interest along Highway 4 to the north. Here, vacancy was just 4.2 percent entering April — one of the lowest rates in the metro. A supply of pre-1990s warehouses with easy access to population centers and major highways is likely to attract investor's attention.



2025 MARKET FORECAST



Population decline and job losses weigh on Oakland, but the metro ranks in the top half among major California markets.

-0.3%

Y

EMPLOYMENT: The metro is expected to lose about 3,400 jobs on net this year, with ongoing declines in manufacturing and construction roles continuing from 2024.

2.3 million sq. ft.



CONSTRUCTION: Completions will hold steady for the third year in a row, increasing total inventory by 0.9 percent year over year — in line with the metro's long-term growth trend.

+70 bps



VACANCY: With demand still soft and new supply coming online, vacancy is projected to rise to 8.7 percent in 2025, about 160 basis points above the metro's 30-year average.

+2.4%



RENT: Even with higher vacancy, the average asking rent is set to climb further, reaching \$24.35 per square foot, which will keep the market the second-most expensive among major U.S. metros.

INVESTMENT:

Investor interest is growing in repositioning or upgrading older industrial properties, especially around the Coliseum industrial area near Oakland Airport due to its strong infrastructure access.





* Forecast ** Through 1Q Sources: CoStar Group, Inc.; Real Capital Analytics

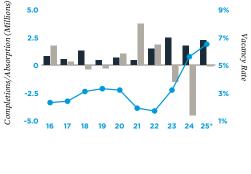
Ongoing Supply Headwinds Challenge an Otherwise Resilient Southern California Market

Inventory growth strains demand, but vacancy lowest on the West Coast. Orange County's industrial stock has grown at annual rates between 0.5 percent and 1.0 percent since 2022, highlighted by the delivery of distribution centers and warehouses in infill areas. In 2025, completions expand local inventory by a similar percentage, despite a recent cooling in tenant demand. Amid tighter economic conditions, many firms have paused expansions and turned to subleasing, which increased local vacancy by 300 basis points over the past five quarters. As such, the metric stood at 6.2 percent this March, still the lowest among major California markets. Local vacancy is being skewed by exaggerated availability among properties with more than 50,000 square feet, with this segment's rate sitting at 8.4 percent in June. In contrast, small-bay facilities approached the second half with a relatively scant 4.1 percent vacancy rate. Looking ahead, smallbay space should remain tight due to limited construction, while newer midsize and large properties may benefit as supply pressures ease next year. These dynamics, along with constrained land and strong demographics, support a positive long-term outlook.

Transactions stay clustered in traditional nodes. Orange County's sales velocity declined about 15 percent over the 12 months ended in March, extending a trend underway since 2021. As fundamentals softened, average cap rates rose to 5.0 percent — the highest since 2016 — and are expected to remain elevated as buyers grow more cautious. Sales continue to concentrate in core industrial zones, mirroring leasing, particularly in east Anaheim, Garden Grove, and near John Wayne International Airport. Looking ahead, growing interest from owner-users and private buyers could prompt additional institutional dispositions, building on momentum already seen recently.

Economic Trends Employment - Retail Sales Cotal Employment (Millions) 2.0 1.8









2025 MARKET FORECAST

Orange County's regionally low vacancy rate garners the metro the top ranking among Southern California markets.

+0.2%

NIPI RANK 26



EMPLOYMENT: Job growth will be modest this year, with about 4,000 positions added on net — well below the metro's annual average of 32,000 roles between 2015 and 2019.

2.2 million sq. ft.



CONSTRUCTION: Supply pressure remains elevated, as more than 1.4 million square feet is set to deliver for a fourth straight year. The consequent 0.9 percent increase to stock trails the national mark.

+90 bps



VACANCY: Steady deliveries and softer leasing demand translate into a third consecutive year of negative net absorption. This dynamic lifts Orange County's vacancy rate to 6.5 percent.

-0.8%



RENT: The average asking rent will decline again this year, though the drop will be much smaller than in 2024. Ending 2025 at \$18.72 per square foot, the mean rate is 7 percent below the 2023 peak.

INVESTMENT:

South Orange County recorded the lowest vacancy rate and slowest year-over-year inventory growth of all local submarkets as of March, representing relative stability that may draw more investor interest.

Economic Trends Employment Retail Sales 1.6 \$100 Total Retail Sales (Billions) 1.5 \$85 total Retail Sales (Billions) 1.4 \$70 total Retail Sales (Billions)







ORLANDO

Growth Narrative Remains Intact in Orlando Despite Still-Strained Fundamentals

Strong demographic tailwinds tempered by near-term market imbalances. Orlando's population is expected to maintain its top-two growth ranking among major U.S. markets for a fourth consecutive year in 2025, supporting long-term expansion in logistics- and distribution-related demand. That said, industrial properties have been contending with rising vacancy since 2022. Much of this pressure is stemming from heightened new supply, as total inventory has grown nearly 9 percent in that time frame. Last year's decline in net absorption, driven by slow lease-up of large-scale facilities, also played a role. Looking forward, a tapering construction pipeline in 2025 may relieve some of the pressure on the metro's fundamentals, though preliminary leasing activity in the second quarter is still showing signs of weakness. Aside from Ryder Logistics' 1.2 million-square-foot distribution facility lease starting in November, demand continues to center on small-bay tenants, particularly in submarkets surrounding Orlando International Airport.

Institutional investment gains ground amid price discovery hurdles. During the trailing 12-month interval ended in March, transaction velocity grew by about 70 percent. Despite higher vacancy among larger facilities, trades involving properties over \$20 million increased substantially as institutional investment picked up. Meanwhile, private investors seeking sub-\$10 million commitments kept targeting areas such as Northwest Orange County along U.S. 441 and corridors west of Orlando International Airport. Strong infrastructure here may continue to draw investor attention, although recent robust pockets bears consideration for near-term vacancy. Nevertheless, with per-square-foot pricing slightly down last year and with no rate cuts from the Federal Reserve in immediate sight, buyers metrowide are likely to remain cautiously opportunistic.

2025 MARKET FORECAST

NIPI RANK 15

Nation-leading household formation, combined with sharply rising vacancy, leads to Orlando's near-middle placement.

+1.8%

EMPLOYMENT: In tandem with a rapidly growing population, Orlando's employment base is set to add 28,000 jobs in 2025, tying for the second-fastest expansion among major metros.

3.4 million sq. ft.



CONSTRUCTION: This year's delivery slate is set to stay at roughly half of the trailing two-year average, with concentrations near OIA and in Northwest Orange County along State Route 429.

+140 bps



VACANCY: Landing at 9.3 percent, the metro is expecting a more moderate vacancy rise in 2025, following its largest annual hike since 2009. Still, the increase will double the national change.

+7.1%



RENT: Despite rising vacancy, the average asking rent in the metro has continued trending upward. This year's increase, while the slowest since 2020, will help push the metric to \$13.72 by year-end.

INVESTMENT:

Osceola County's sales volume rose sharply last year. Limited development and submarket-leading net absorption is likely to sustain investors' interest in available listings.

Trade Disruptions Shift Leasing Trends, While University City Expands as a Biomedical Hub

Goods-importing tenants scale back, while domestic distribution holds firm. After vacancy declined in early 2025 across Bucks, Montgomery and Chester counties, preliminary second-quarter data shows large negative net absorption in these areas. Tariff-induced cost pressures have likely prompted consolidation among manufacturing- and import-reliant tenants, such as electronics and home goods suppliers, adding renewed vacancy risk as completions remain elevated. In contrast, distribution-oriented properties focused on food and third-party fulfillment have seen more stable demand. A 1.2 million-square-foot lease signed by a logistics firm in Burlington County in April should help ease vacancy pressures after local rates exceeded 10 percent in March. Delaware, Salem and New Castle counties have also recorded an uptick in distribution-related big-box demand this year, better positioning them to absorb upcoming new supply.

Buyers stay defensive, while life sciences lift central outlook. Sales have slowed in 2025 amid economic headwinds and lingering supply pressures. Institutions pulled back sharply, while private investors stayed more active. Bucks County may continue to draw interest with sub-6 percent vacancy as of March, though leasing headwinds may shift focus toward stabilized assets. In Burlington County, steadier tenant demand could attract more buyers, even amid double-digit vacancy. Both counties are set to add around 2 million square feet of space this year — well below 5 million in 2023 — limiting further vacancy expansion. In contrast, Philadelphia County will see a record of nearly 3 million square feet open in 2025, possibly dampening near-term investment. Still, new life sciences-related openings, including Spark Therapeutics' 500,000-square-foot gene therapy plant, should bolster demand from health care firms and medical suppliers.

Economic Trends Employment Retail Sales Cotal Employment (Millions) 3.2 3.0



2025 MARKET FORECAST

NIPI RANK 24

Philadelphia remains in the lower half of the Index as an influx of new supply and subdued absorption push vacancy higher.



EMPLOYMENT: Job growth will improve this year with 45,000 new roles, driven largely by the health care sector. The trade, transportation and utilities segment is also expected to expand modestly.

13.9 million sq. ft.



CONSTRUCTION: Completions for 2025 are set to rise roughly 65 percent above the 10-year average; however, total deliveries will still fall short of the 2023 peak of 17 million square feet.

+70 bps



VACANCY: Vacancy expansion will match 2024's pace, marking the fourth straight year of rising availability. At 8.2 percent, the metro's rate will sit 60 basis points above the national average.

+2.1%



RENT: Elevated supply pressures and subdued tenant demand will keep rent growth modest this year. The metro's average asking rate is projected to reach \$11.10 per square foot.

INVESTMENT:

An average asking rent 60 percent above the year-end 2019 rate — the widest spread among major Northeast markets - may prompt interest from investors confident in re-tenanting.





PHOENIX

Reduced Development and Long-Term Tailwinds Help Phoenix Withstand Subdued Leasing

Construction slows as California restrictions pique interest in Phoenix. Despite softer leasing in 2025 amid tariff-related uncertainty, minimal tenant move-outs and a steep drop in deliveries are poised to ease vacancy pressures. In the East Valley, tapering new supply and large upcoming move-ins, including from several food and beverage distributors, as well as LG Energy Solutions' 1 million-square-foot battery plant, will help maintain stable occupancy. Fewer completions along the Interstate 10 and Loop 303 corridors should also limit the increase in available space, as occupiers remain drawn to the area's strong highway access. In May 2025, many California cities implemented stricter warehouse development rules, keeping firms seeking modern space drawn to Phoenix, which offers more post-2020-built supply than Los Angeles, Orange County and the Inland Empire combined. Semiconductor manufacturing is also emerging as a durable demand driver, led by TSMC's \$100 billion plan to build three additional fabrication plants.

Small-bay investment holds despite rising business costs. Sales activity has moderated in 2025 following last year's strong rebound. Large investors have pulled back from infill areas in South Phoenix and Tempe, instead favoring outlying suburbs such as the Loop 303 Corridor. Buyers may continue to look here as they target modern, stabilized assets. Private investor activity has held relatively stable. More buyers are shifting toward closer-in areas, where limited development, strong highway access and proximity to dense populations are expected to support occupancy levels despite broader headwinds. Small-bay assets have seen a slight rise in vacancy this year, suggesting some users may be struggling to pass on higher tariff-induced costs. Even so, vacancy in the segment remains near 5 percent — well below the big-box rate of over 15 percent — reinforcing buyer interest.



2025 MARKET FORECAST



Despite easing pressures, one of the highest vacancy rates in the country will pace Phoenix in the lower half of the rankings.

+1.2%

EMPLOYMENT: Job growth will align with last year as 30,000 new roles are added. Health care hiring should hold steady, while manufacturing and warehousing may face continued headwinds.

15 million sq. ft.

(Y)

CONSTRUCTION: Completions in 2025 will fall by about 50 percent from 2024's record total. The Loop 303 and Interstate 10 corridors in the southwest will receive about two-thirds of new supply.

+130 bps



VACANCY: After climbing by more than 700 basis points over the past two years, the reduced delivery pipeline will help slow the pace of vacancy expansion as the metro's rate reaches 13.2 percent.

-2.0%



RENT: Asking rents will record a modest decline for the second consecutive year amid elevated big-box vacancy and soft tenant demand. The metro's average rate will dip to \$11.85 per square foot.

INVESTMENT:

Mayo Clinic's planned downtown medical school and \$1.9 billion North Phoenix expansion are expected to draw related health care suppliers, bolstering investor interest in nearby small-bay assets.



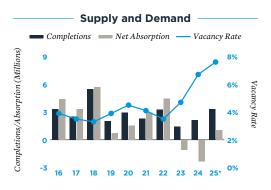


Green Shoots of Demand Seen in Key Submarkets as Supply Pressure Modestly Increases

Deliveries target highways in the metro's southwest. About 40 percent of 2025's construction pipeline will come to the Interstate 5 corridor, while 27 percent is slated for areas around Hillsboro and Route 26. The I-5 corridor's vacancy rate rose to 6.8 percent in March, increasing 430 basis points year over year amid net relinquishments. The Hillsboro submarket fared better; vacancy rose 160 basis points to 3.6 percent, which is still among the lowest in the metro. Net absorption there will be aided later this year from the move-in by the Oregon Electric Group into a 100,000-square-foot space on a seven-year term. The first quarter's strongest net absorption, meanwhile, occurred in Clark County and the Portland submarkets north and east of the CBD, which helped push the marketwide total to almost 1 million square feet. Further move-ins by DB Schenker and Omni Logistics in the fall will help support recovering industrial space demand.

Private buyers favoring small northeast properties. In the 12 months ended in March, the market's transaction velocity rose almost 50 percent compared with the same period in 2024. Deal flow in the \$1 million to \$10 million price tranche behaved similarly, while exchanges of properties over \$20 million grew. Transactions in the Interstate 5 corridor roughly doubled, yet the northeast submarkets remained the front-runners in deals. Investors pursuing low entry costs may again target this area, as all but a few properties sold here last year were sized under 50,000 square feet. The area averaged one of the lowest price-to-square-foot ratios among submarkets with inventory over 10,00,000 square feet in this period. About 20 percent of buyers here were users. Near the I-5 corridor, private buyers were a minority; owner-users accounted for closer to 50 percent of buyers, while REITs represented 10 percent.

| Economic Trends | Employment | Retail Sales | Sales







2025 MARKET FORECAST

NIPI RANK 29

Portland's vacancy is below average, but tamer retail sales growth by national standards pushes its position down.

+0.4%



EMPLOYMENT: The market will add 4,800 more employees on net to its ranks by year-end. The resulting growth rate will rank ahead of all other major West Coast markets except Sacramento.

3.3 million sq. ft.



CONSTRUCTION: Portland's inventory expansion rate of 1.5 percent this year is 10 basis points above its decade average. The pace of construction has been rising since a recent low point in 2023.

+90 bps



VACANCY: The metro's vacancy rate will reach 7.6 percent in 2025. Strong first quarter net absorption hints at recovering demand, but additional speculative deliveries will bring unoccupied space.

+1.6%



RENT: With a return to positive net absorption and the introduction of some high-end space on the market, the average asking rent may rise back to \$11.05 per square foot this year.

INVESTMENT:

Despite seeing the metro's fastest supply growth, Clark County held its 6.3 percent vacancy rate year over year in March. Deal flow also rose slightly, suggesting growing investor interest in the submarket.

Economic Trends Employment — Retail Sales 1.8 \$120 Total Retail Sales \$105 tales (Billions) \$90 (Billions) \$75 (Billions)







RIVERSIDE-SAN BERNARDINO

Impacts of Port Volatility Extend to Inland Hub; Supply Constraints and Population Gains Lift Outlook

Development pullback cushions tariff-driven consolidation. As California's primary cargo freight hub, the Inland Empire is bearing the brunt of tariff-driven import declines. Early second-quarter data shows over 4 million square feet of negative net absorption, led by move-outs in Riverside and San Bernardino. Import-reliant firms like DHL Supply Chain and Kohl's have relinquished space, contributing to a broader trend of big-box tenants vacating distribution facilities over 300,000 square feet, where vacancy is nearing 10 percent. While domestic-facing users such as medical and food distributors should remain more resilient, leasing will likely stay subdued as tenants await trade policy clarity. Nevertheless, total delivered industrial space in 2025 is set to fall by nearly 50 percent from the prior three-year average, helping limit further vacancy increases. Longer term, completions are expected to moderate after California enacted stricter warehouse development rules — including deeper setbacks, mandatory truckroute planning and upgraded energy standards — with full rollout set for January 2026.

Small-bay assets retain their appeal amid growing consumer base. While trades involving big-box assets have slowed in 2025, smaller property listings continue to register steady investor interest, aided by limited new supply at this scale. A locally oriented tenant mix has helped net absorption stay positive across the small-format segment, pushing vacancy down from over 7 percent in mid-2024 to under 5 percent as of this June. The metro's expanding population — with more than 100,000 new residents in 2024 — should keep supporting demand from tenants including landscaping, HVAC and building supply firms. Growing cities like Temecula and Menifee may attract increased investment, with the former noting record demand for multifamily housing last year.

2025 MARKET FORECAST

NIPI RANK 33

Trade volatility softens leasing activity, pressuring vacancy and placing the Inland Empire near the bottom of the rankings.

-0.2%

Y

EMPLOYMENT: The metro will lose 3,000 jobs this year, driven by rightsizing in the transportation and warehousing sector. Hiring in health care and local government is expected to remain steady.

14 million sq. ft.



CONSTRUCTION: Supply growth in 2025 drops to 2.0 percent — only half the metro's prior 10-year average. Completions near Ontario International Airport will fall notably from 2024's surge.

+120 bps



VACANCY: A reduced delivery pipeline will help moderate vacancy expansion following a nearly 600-basis-point increase over the past two years. The metro's vacancy rate will reach 9.0 percent.

-8.7%



RENT: Over 17 million square feet of available sublease space and a historically large vacant stock continue to limit pricing power, as the average asking rent falls to \$12.12 per square foot.

INVESTMENT:

The \$1.5 billion BNSF intermodal project in Barstow is set to begin construction in 2026 after the zero-emission locomotive mandate was scrapped, potentially drawing investors to the Mojave River Valley.

Vacancy Climbs as Market Rebalances, While Smaller Deals Drive Investor Activity

Construction slowdown eases supply pressure amid softening demand. Sacramento is expected to record negative net absorption in 2025 — the first time since 2011 — as the post-pandemic e-commerce boom fades but excess supply persists. Demand remains tight for spaces under 50,000 square feet, where speculative development is limited and vacancy held near 4 percent as of June. In contrast, larger properties over 200,000 square feet experienced vacancy of about 10 percent. Moreover, the recent construction wave has pushed vacancy in properties delivered since 2024 to nearly 50 percent. That said, supply-side pressure is beginning to ease. Nearly three-quarters of this year's already reduced pipeline is tied to Amazon's new distribution center in Rancho Cordova, signaling a sharp drop in speculative builds. As a metro supported by strong job gains and ongoing in-migration, Sacramento maintains a generally positive long-term outlook, especially as the market gradually absorbs the surplus supply.

Investor interest shifts toward smaller deals. While transaction velocity in Sacramento rose over 50 percent in the 12 months ended in March, total dollar volume declined, driven by a doubling of deals under \$10 million. Private buyers — especially owner-users — have become more active, pursuing smaller listings in prime areas. Transactions over \$10 million fell by half, reflecting greater caution among large investors. This dynamic may persist as the average price per square foot has climbed over 50 percent. The average cap rate also reached 7.5 percent — the highest among major Western markets and the only one above the national average. Shifting valuations and elevated vacancy among larger spaces is prompting institutional buyers to hold back, creating an opening for more flexible private investors focused on long-term value.

Economic Trends Employment — Retail Sales 1.4 \$70 Total Retail Sales \$70 Billions \$50 Billions \$40 Billions



2025 MARKET FORECAST

NIPI RANK 22

Sacramento ranks highest among all West Coast metros, largely due to modest inventory growth this year.

+1.0%



EMPLOYMENT: Sacramento will add 11,000 jobs in 2025 — the largest gain among major West Coast metros, despite having one of the region's smallest employment bases.

800,000 sq. ft.



CONSTRUCTION: Deliveries this year will amount to just a quarter of the metro's five-year average of 3.4 million square feet, with inventory expanding by only 0.5 percent.

+50 bps



VACANCY: As demand is still soft, the vacancy rate will edge up to 6.7 percent, even as supply pressures ease. The metric remains the second lowest among major West Coast markets.

-5.2%



RENT: The average asking rent is projected to decline further to \$8.92 per square foot by the end of 2025, which is about 12 percent below the metro's 2023 peak of \$10.12 per square foot.

INVESTMENT:

Sacramento County posted a year-over-year vacancy decline, bucking the broader metro trend. Sales activity is increasing in the area, particularly near Sacramento Mather Airport.











SAN DIEGO

Potential Increase in U.S.-Mexico Commercial Truck Traffic Has Positive Implications for San Diego

Trump administration's policies have exaggerated impact on local demand. San Diego's industrial sector is set to grapple with a third straight year of notable vacancy increase; however, the demand outlook beyond 2025 remains optimistic. Tariffs in place as of June and the potential for higher country-specific rates are expected to favor markets linked to Canada and Mexico under USMCA, especially if companies recalibrate manufacturing and shipping operations in mass. With this in mind, San Diego appears well-positioned. Recent progress on the Otay Mesa East Port of Entry project is also bolstering prospects for warehouse and distribution space. After numerous delays, the project received a \$150 million grant from the Department of Transportation in April, with Biden-era clean construction requirements also removed. The new 12-lane port is now slated to break ground this fall with tentative completion in 2027. Construction commencement alone should benefit leasing velocity proximate to the border — a boon for South Bay, where vacancy is more than 400 basis points above its long-term average.

Solid demand among smaller users stokes buyer interest. Vacancy among industrial and flex properties built prior to 2000 was 8.2 percent as of this June. In contrast, the collective rate among facilities constructed this century was 15.9 percent. This disparity may steer more private investors to slightly older assets during the second half, specifically sub-20,000-square-foot listings capable of accommodating multiple tenants. Since April 2024, trades of this scope have accounted for 70 percent of total sales; these transactions fell into the \$1 million to \$3 million price tranche. Available warehouse and manufacturing listings are likely to be most plentiful in Otay Mesa and along Highway 78, with flex options most frequent in Carlsbad and areas surrounding Sorrento Mesa.

2025 MARKET FORECAST

NIPI RANK 36

Vacancy increases by more than 200 basis points for a third straight year, placing San Diego at the bottom of the Index.

+0.2%

EMPLOYMENT: The metro lost 2,900 jobs in the first quarter; however, positive hiring velocity returned over spring, placing San Diego on track to add 3,000 roles during 2025.

3.5 million sq. ft.

CONSTRUCTION: Local inventory expands by 1.9 percent, marking a four-year high. An Amazon distribution center and a group of R&D properties compose the bulk of 2025's delivery slate.

+230 bps

VACANCY: The openings of numerous, sizable speculative projects, among other factors, place upward pressure on vacancy. At 10.7 percent, the projected year-end rate is the highest since 2011.

-6.6%

RENT: A third straight year of notable vacancy increases translates into downward rent movement. The average asking rent ends 2025 at \$18.27 per square foot — down 16 percent from mid-2023.

INVESTMENT:

East County has the second-lowest vacancy of the Southern California submarkets with at least 10 million square feet of stock. This dynamic should steer investors to listings in El Cajon and Santee.

Falling Cargo Volumes Undercut Large-Bay Demand; Smaller Floorplans Sustain Leasing Velocity

Import drop fuels bulk space givebacks; small bay stays tight. Tariffs have added volatility to the Seattle-Tacoma industrial market. Port volumes fell 17.3 percent year over year in May 2025, coinciding with over 2 million square feet of net move-outs in the second quarter. Most of the returned space came from large-format users in the South End and Tacoma, pushing big-box vacancy above 11 percent. Stronger trade flows and policy clarity could lift demand later in the year, but a prolonged import decline would likely weigh on port-adjacent leasing. With Tacoma set to add over 4 million square feet of space this year, vacancy is expected to remain elevated, though fewer completions elsewhere should help limit upward pressure. Meanwhile, small-bay properties are likely to remain more stable, as fewer move-outs and limited new supply kept vacancy below 5 percent in June. This dynamic should help sustain tighter conditions in the Eastside and North End, where leasing is buoyed by advanced manufacturing and last-mile tenants.

South End investment cools as life sciences growth lifts long-term outlook. Sales activity has shifted in 2025 amid trade headwinds. The South End submarket is seeing minimal investment due to its aging industrial stock and reliance on port activity. Large buyers remain more active in Tacoma, favoring recently built distribution space trading below replacement costs. Private investors have targeted infill sites near Downtown Seattle and South Tacoma, drawn by dense populations that appeal to small-bay users. Limited port exposure may also attract more interest in the North End and Eastside. Adding to the region's appeal, Bristol Myers Squibb's plan to invest \$40 billion nationwide over the next five years will support its operations in South Lake Union and Bothell, likely attracting pharmaceutical and medical device suppliers.



Rent Trends — Average Rent — Y-O-Y Percent Change 14% 514 21% 7% C-Y Percent Change 14% 7% Coverage Rent — Y-O-Y Percent Change

20 21



2025 MARKET FORECAST

NIPI RANK 23

Vacancy trending higher amid port-related headwinds will position Seattle-Tacoma in the lower half of the rankings.

+0.2%



EMPLOYMENT: Job growth will soften this year, with just 5,000 new roles expected amid rightsizing at major firms like Boeing, Microsoft and Starbucks. Health care hiring should remain stable.

6 million sq. ft.



CONSTRUCTION: Completions will stay roughly in line with the metro's 10-year average of 5.7 million square feet. Tacoma will account for over 70 percent of this year's supply additions.

+130 bps



VACANCY: Subdued tenant demand and ongoing development activity will push vacancy up by over 100 basis points for the third consecutive year, with the metro's rate reaching 9.1 percent.

-1.2%



RENT: Asking rents are expected to decline slightly this year as large-block space relinquishments return older stock to the market. The metro's average rate will dip to \$12.52 per square foot.

INVESTMENT:

At under 4 percent, Seattle's Eastside holds one of the lowest vacancy rates among West Coast submarkets with at least 15 million square feet of inventory, drawing buyers to tech-adjacent industrial areas.

TAMPA-ST. PETERSBURG

Near-Term Vacancy Outlook Challenged in Tampa- St.Petersburg as Investment Holds Steady

Speculative builds in pipeline amid long-term tailwinds. After a year in which net absorption in Tampa-St. Petersburg lagged new supply, preliminary data from the second quarter of 2025 points to a modest rebound in demand materializing. Nevertheless, upcoming deliveries will have an impact on the metro's near-term vacancy rate. While total completions in 2025 are projected to move closer to historical norms, over 80 percent of this year's delivery slate are speculative projects — a notable shift from 2024, when build-to-suits accounted for the bulk of completions. While some of the space added during the second half may struggle to secure tenants over the near term, the outlook for Tampa's industrial sector remains positive. In-migration is projected to remain strong, supporting tenant demand for distribution and last-mile logistics moving forward. Infrastructure upgrades at Port Tampa Bay — including the new Omniport terminal and deep-water berth — are also set to boost throughput and strengthen industrial demand across the metro's supply chain.

Institutional strategy shifts toward compiling smaller spaces. Transaction velocity during the year ended in March was roughly double the average from 2014 to 2019, falling just 10 percent shy of the metro's 2022 record. This level of activity reflects favorable private investor sentiment toward the market at a time when fewer trades above \$20 million are closing. Still, institutional interest remains evident, with these buyers often acquiring local assets via larger portfolio transactions. This strategy is likely a reaction to varying local property performance; vacancy in properties over 50,000 square feet is roughly double that of assets in the 10,000- to 50,000-square foot range. Should this disparity widen, competition for smaller assets could heat up.

Economic Trends Employment — Retail Sales \$100 Total Retail Sales \$100 Total Retail Sales \$100 States (Billions) \$100 States (Billions) \$100 States (Billions) \$100 States (Billions) \$100 States (Billions)



2025 MARKET FORECAST



Strong retail sales growth and steadfast in-migration translate to an upper-third ranking for Tampa this year.

+1.0%

EMPLOYMENT: Tampa-St. Petersburg's employment base is expected to grow by 16,000 new jobs in 2025. Traditionally office-using roles will assist this growth following a strong start to the year.

4.3 million sq. ft.



CONSTRUCTION: Deliveries slow for a second straight year after a record 6.4 million square feet was added in 2023. The resulting 1.5 percent boost to stock is roughly in line with the past decade mean.

+60 bps



VACANCY: A slight improvement in net absorption will help mitigate rising vacancy this year, which is expected to reach 6.4 percent — a rate 50 basis points above the metro's long-term average.

+2.6%



RENT: After rising by nearly 60 percent over two years, asking rents dipped slightly last year. Further stabilization is expected in 2025, with the average rate nudging up to \$12.25 per square foot.



Limited ongoing development and low-1 percent vacancy may steer investors toward Hernando County. The submarket's relatively small inventory should spur competition when assets come to market.





Fundamentals Approaching Historic Norms; Hagerstown Masks Largely Balanced Market

Rapid construction decline aids supply-demand rebalancing. After more than 21 million square feet came to market from 2022 to 2024, openings will fall to just 3.2 million square feet in 2025. While soft demand will prevent vacancy tightening, this signals a realignment with pre-pandemic delivery norms and a considerable narrowing of recent disparities between new supply and tenant demand. With firms such as Amazon, DB Schenker and CertainTeed moving into spaces this summer and fall, fundamentals may be positioned to achieve balance for the first time since the health crisis. Slowing construction is proving particularly impactful in Hagerstown, which posted no notable openings in the three quarters ended in March. Inventory there expanded by nearly 40 percent between 2021 and the second quarter of 2024, leaving over 25 percent of the market's vacant inventory in a single submarket. Excluding Hagerstown, vacancy in the metro stood at 7.3 percent in March — just 20 basis points above the national rate — indicating that most submarkets have stayed tighter than the metrowide figure suggests.

Established industrial hubs demonstrate sturdy sales activity. Transaction velocity over the 12 months ended in March accelerated nearly 40 percent year over year, resulting in one of the metro's most active periods on record. A rising cap rate indicates more buyers and sellers are coming to agreement, which should help sustain sales activity later this year despite high borrowing costs. Rent growth of nearly 10 percent since 2023 — the second-largest increase among major metros in that time — may also encourage investors. With a steep drop in construction starts positioning the market for strengthened fundamentals, many buyers are looking to the Interstate 66 and Dulles corridors seeking warehousing and light distribution spaces of pre-1990 vintage.

Economic Trends Employment — Retail Sales Stool Stoo



2025 MARKET FORECAST

NIPI RANK 25

Despite employment headwinds and rising vacancy, a shrinking supply pipeline raises the metro's ranking on the 2025 Index.

+0.2%



EMPLOYMENT: The creation of 7,800 jobs in 2025 undercuts the past-decade average by 75 percent. Total gains through May have been limited by the shedding of over 15,000 government positions.

3.2 million sq. ft.



CONSTRUCTION: Completions fall to the lowest level since 2019 as inventory expands just 1.3 percent year over year. This delivery slate marks a return to historic norms for the metro.

+30 bps



VACANCY: As net absorption slows for a fourth straight year, falling slightly below typical pre-pandemic levels, vacancy will edge up to 8.2 percent — the metro's highest overall rate in a decade.

+2.9%



RENT: Asking rent growth will improve slightly from 2024's pace as the mean marketed rate rises to \$13.76 per square foot. The metric will be up over 56 percent from the 2019 figure.

INVESTMENT:

The I-66 corridor may draw more attention after local vacancy fell 140 basis points year over year to 2.9 percent in March — the lowest rate of any D.C. submarket with over 10 million square feet of stock.





United States

Corporate Headquarters

Marcus & Millichap 23975 Park Sorrento Suite 400 Calabasas, CA 91302 (818) 212-2250 www.MarcusMillichap.com

Atlanta

1100 Abernathy Road, N.E. Building 500, Suite 600 Atlanta, GA 30328 (678) 808-2700 **John M. Leonard**

Austin

9600 N. Mopac Expressway Suite 300 Austin, TX 78759 (512) 338-7800 Bruce Bentley III

Bakersfield

4900 California Avenue Tower B, Second Floor Bakersfield, CA 93309 (661) 377-1878 Jim Markel

Baltimore

One West Pennsylvania Avenue Suite 850 Towson, MD 21204 (443) 703-5000 **Brian Hosey**

Baton Rouge

10527 Kentshire Court, Suite B Baton Rouge, LA 70810 (225) 376-6800 **Jody McKibben**

Birmingham

800 Shades Creek Parkway Suite 815 Birmingham, AL 35209 (205) 510-9200 **Jody McKibben**

Boise

800 W. Main Street, Suite 1460 Boise, ID 83702 (208) 401-9321 Adam Lewis

Rostor

100 High Street, Suite 1025 Boston, MA 02110 (617) 896-7200 **Thomas Shihadeh**

Charleston

550 King Street, Suite 300 Charleston, SC 29403 (843) 952-2222 Benjamin Yelm

Charlotte Uptown

201 S. Tryon Street, Suite 1220 Charlotte, NC 28202 (704) 831-4600 Benjamin Yelm

Chicago Downtown

333 W. Wacker Drive, Suite 200 Chicago, IL 60606 (312) 327-5400 Joseph Powers

Chicago Oak Brook

One Mid-America Plaza, Suite 200 Oakbrook Terrace, IL 60181 (630) 570-2200 **Steven D. We<u>instock</u>**

Cincinnati

312 Walnut Street, Suite 2460 Cincinnati, OH 45202 (513) 878-7700 **Josh Caruana**

Cleveland

Crown Centre 5005 Rockside Road, Suite 800 Independence, OH 44131 (216) 264-2000 **Grant Fitzgerald**

Columbia

1320 Main Street, Suite 300 Columbia, SC 29201 (803) 678-4900 **Benjamin Yelm**

Columbus

500 Neil Avenue, Suite 100 Columbus, OH 43215 (614) 360-9800 **Grant Fitzgerald**

Dallas

5001 Spring Valley Road, Suite 100W Dallas, TX 75244 (972) 755-5200 Mark R. McCoy

Dallas Uptown

Suite 1200 Suite 1200 Dallas, TX 75219 (972) 267-0600 Mark R. McCoy

Denver

1144 15th Street, Suite 2150 Denver, CO 80202 (303) 328-2000 **Adam A. Lewis**

Detroit

2 Towne Square, Suite 450 Southfield, MI 48076 (248) 415-2600 Steven Chaben

Encino

16830 Ventura Boulevard, Suite 100 Encino, CA 91436 (818) 212-2700 Jim Markel

Fort Lauderdale

5900 N. Andrews Avenue, Suite 100 Fort Lauderdale, FL 33309 (954) 245-3400 Harrison E. Rein

Fort Worth

300 Throckmorton Street, Suite 1500 Fort Worth, TX 76102 (817) 932-6100 Mark R. McCoy

Fresn

6795 N. Palm Avenue, Suite 109 Fresno, CA 93704 (559) 476-5600 Jim Markel

Greensboro

200 Centreport Drive, Suite 160 Greensboro, NC 27409 (336) 450-4600 Benjamin Yelm

Hampton Roads

208 GoldenOak Ct, Suite 210 Virginia Beach, VA 23452 (757) 777-3737 Benjamin Yelm

Houston

3 Riverway, Suite 800 Houston, TX 77056 (713) 452-4200 **Ford Noe**

Indianapolis

600 E. 96th Street, Suite 500 Indianapolis, IN 46240 (317) 218-5300 **Josh Caruana**

Inland Empire

3281 E. Guasti Road, Suite 800 Ontario, CA 91761 (909) 456-3400 Mario J. Alvarez, Jr.

Jacksonville

818 N Highway A1A, Suite 204 Ponte Vedra Beach, FL 32082 (904) 672-1400

David G. Bradley

Kansas City 9363 W 110th Street, Suite 500 Overland Park, KS 66210 (816) 410-1010 Josh Caruana

Knoxville

1111 Northshore Drive, Suite S-301 Knoxville, TN 37919 (865) 299-6300 **Jody McKibben**

Las Vegas

9205 W Russell Road, Suite 100 Las Vegas, NV 89148 (702) 215-7100 Cameron Glinton

Los Angeles

1900 Avenue of the Stars, Suite 2000 Los Angeles, CA 90067 (310) 909-5500 **Tony Solomon**

Louisville

9300 Shelbyville Road, Suite 1012 Louisville, KY 40222 (502) 329-5900 **Josh Caruana**

Manhattan

260 Madison Avenue, Fifth Floor New York, NY 10016 (212) 430-5100 **John Horowitz**

Memphis

5100 Poplar Avenue, Suite 2505 Memphis, TN 38137 (901) 620-3600 **Jody McKibben**

Miami

2916 North Miami Avenue, Suite 700 Miami, FL 33127 (786) 522-7000 Victor M. Garcia

Milwaukee

13890 Bishops Drive, Suite 300 Brookfield, WI 53005 (262) 364-1900 Todd Lindblom

Minneapolis

1601 Utica Avenue South, Suite 301 Minneapolis, MN 55416 (952) 852-9700 **Todd Lindblom**

Mobile

208 N. Greeno Road, Suite B-2 Fairhope, AL 36532 (251) 929-7300 **Jody McKibben**

Nashville

6 Cadillac Drive, Suite 100 Brentwood, TN 37027 (615) 997-2900 Jody McKibben **New Haven**

265 Church Street Suite 210 New Haven, CT 06510 (203) 672-3300 John Horowitz

New Jersey

250 Pehle Avenue, Suite 501 Saddle Brook, NJ 07663 (201) 742-6100 Jim McGuckin

New Mexico

100 Sun Avenue N.E., Suite 650 Albuquerque, NM 87109 (505) 445-6333 **Ryan Sarbinoff**

Oklahoma City

201 Robert S Kerr Avenue, Suite 700 Oklahoma City, OK 73102 (405) 446-8238 **Jody McKibben**

Orange County

19800 MacArthur Boulevard Suite 150 Irvine, CA 92612 (949) 419-3200 Jonathan Giannola

Orlando

300 S. Orange Avenue, Suite 700 Orlando, FL 32801 (407) 557-3800 **David G. Bradley**

Palm Springs

74-710 Highway 111, Suite 102 Palm Desert, CA 92260 (909) 456-3400 Mario J. Alvarez, Jr.

Palo Alto

2626 Hanover Street Palo Alto, CA 94304 (650) 391-1700 Ramon Kochavi

Philadelphia

2005 Market Street, Suite 1510 Philadelphia, PA 19103 (215) 531-7000 **Timothy B. Stephenson, Jr.**

Phoenix

2398 E. Camelback Road, Suite 300 Phoenix, AZ 85016 (602) 687-6700 James K. Crawley

Portland

111 S.W. Fifth Avenue, Suite 1950 Portland, OR 97204 (503) 200-2000 **David Tabata** Raleigh

101 J Morris Commons Lane, Suite 130 Morrisville, NC 27560 (919) 674-1100 Benjamin Yelm

Reno

50 W. Liberty Street, Suite 400 Reno, NV 89501 (775) 348-5200 Daniel A. Kapic

Richmond

4401 Waterfront Drive, Suite 230 Glen Allen, VA 23060 (804) 802-6900 Benjamin Yelm

Sacramento

3741 Douglas Boulevard, Suite 200 Roseville, CA 95661 (916) 724-1400 **Daniel A. Kapic**

Sacramento Downtown

333 University, Suite 150 Sacramento, CA 95825 (916) 724-1400 **Daniel A. Kapic**

Salt Lake City

95 South State Street, Suite 1280 Salt Lake City, UT 84111 (801) 736-2600 Kent Guerin

San Antonio

8200 IH-10 W, Suite 603 San Antonio, TX 78230 (210) 343-7800 Bruce Bentley III

San Diego

12544 High Bluff Drive, Suite 100 San Diego, CA 92130 (858) 373-3100 **Damon Wyler**

San Francisco

750 Battery Street, Fifth Floor San Francisco, CA 94111 (415) 963-3000 Ramon Kochavi

Seatt<u>le</u>

401 Union Street, 32nd Floor Seattle, WA 98101 (206) 826-5700 **Joel Deis**

South Bay

880 Apollo Street, Suite 101 El Segundo, CA 90245 (424) 405-3900 Dawson Rinder St. Louis

7800 Forsyth Boulevard, Suite 710 St. Louis, MO 63105 (314) 889-2500 Josh Caruana

Tampa

201 N. Franklin St., Suite 1100 Tampa, FL 33602 (813) 387-4700 **David G. B<u>radley</u>**

Tucson

2 E Congress Street, Suite 1050 Tucson, AZ 85701 (520) 202-2900 James K. Crawley

Washington, D.C.

7200 Wisconsin Avenue, Suite 1101 Bethesda, MD 20814 (202) 536-3700 **Brian Hosey**

Westchester

50 Main Street, Suite 925 White Plains, NY 10606 (914) 220-9730 **John Horowitz** Canada

Calgary

602-16 Avenue Northwest Suite 211 Calgary, Alberta T2M 0J7 (587) 349-1302 Michael Heck

Edmonton

10175 101 Street, Suite 1820 Edmonton, Alberta T5J 0H3 (587) 756-1600 Michael Heck

Montreal

1 Place Ville Marie, Suite 1082 Montreal, Quebec H3B 4S6 (438) 844-6500 **Kevin Marshall**

Ottawa

275 Bank Street, Suite 301 Ottawa, Ontario K2P 2L6 (613) 364-2300 Mark Paterson

Toronto

200 King Street W, Suite 1210 Toronto, Ontario M5H 3T4 (416) 585-4646 Mark Paterson

Vancouver

1111 West Georgia Street, Suite 1100 Vancouver, British Columbia V6E 4M3 (604) 638-2121 Michael Heck

CONTACTS, SOURCES AND DEFINITIONS

Research Services Team

John Chang | Chief Intelligence & Analytics Officer

Peter Tindall | Vice President, Director of Research Operations

Dags Chen | First Vice President, Head of IPA Multifamily Research

Luke Simurda | Director of Canada Research

Cody Young | Research Publication Manager

Jacinta Tolinos | Research Operations Manager

Kathryn Blessington | Copy Editor

Noah Brown | Research Associate

Maria Erofeeva | Graphic Designer

Tanner Hardy | Research Associate

Nicholas Johnsrud | Research Associate

Joseph Julian | Research Associate

Cody Moody | Research Associate

Chris Ngo | Data Analyst II

Adam Norbury | Data Analyst II

Erik Pisor | Research Analyst II

Musab Salih | Data Analyst

Samuel Vogel | Digital Media Coordinator

Robert Weeks | Research Associate

James Wei | Research Associate

Frank Zhao | Research Analyst

IPA Industrial

Alan L. Pontius | Senior Vice President, National Director
(415) 963-3000 | apontius@ipausa.com

Contact:

John Chang | Senior Vice President Chief Intelligence & Analytics Officer Research and Advisory Services 4545 East Shea Boulevard, Suite 201 Phoenix, Arizona 85028 (602) 707-9700 | jchang@ipausa.com

Media Contact:

Gina Relva | Public Relations Director 23975 Park Sorrento, Suite 400 Calabasas, CA 953-1716 (510) 999-1284 | gina.relva@marcusmillichap.cc

Senior Management Team

Hessam Nadji

President and Chief Executive Officer

J.D. Parker

Executive Vice President, Chief Operating Officer

Steve DeGennaro

Executive Vice President Chief Financial Officer

Evan Denner

Executive Vice President. Head of Business, MMCC

Michael L. Glass

Executive Managing Director, Chief Revenue Officer

Ryan Nee

Executive Managing Director, Chief Revenue Officer

Tim Speck

Executive Managing Director, Chief Revenue Officer

John Vorsheck

Executive Managing Director, Chief Revenue Officer

Gregory A. LaBerge

Senior Vice President, Chief Client Officer

Andrew Strockis

Senior Vice President, Chief Marketing Office

Richard Matricaria

Senior Vice President, Chief Growth Officer

John Horowitz

Senior Managing Director, Division Leader

Brian Hosey

Senior Managing Director, Market Leader

¹ National Industrial Properties Index Note: Employment and industria data forecasts for 2025 are based on the most up-to-date information available as of June 2025 and are subject to change.

²Statistical Summary Note: Metro-level employment, vacancy and asking rents are year-end figures and are based on the most up-to-date information available as of June 2025. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment and office data are made during the second quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investments.

Sources: IPA Research Services; CoStar Group, Inc.; Federal Reserve; IOSList; major U.S. port authorities; Moody's Analytics; Oberlo; Real Capital Analytics; Semiconductor Industry Association; U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; U.S. Bureau of Transportation Statistics: U.S. Census Bureau

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STATISTICAL SUMMARY

Market Name	Employment Growth ²				Completions (000's of Sq. Ft.) ²				Vacancy Rate ²				Average Asking Rent ²				Average Price per Sq. Ft. ²			Market Name
	2022	2023	2024	2025*	2022	2023	2024	2025*	2022	2023	2024	2025*	2022	2023	2024	2025*	2023	2024	2025**	
Atlanta	3.5%	1.5%	1.3%	0.8%	28,900	31,700	22,700	17,200	3.8%	7.0%	9.0%	9.8%	\$7.74	\$8.49	\$8.87	\$9.28	\$159	\$160	\$166	Atlanta
Austin	6.4%	2.7%	1.7%	1.6%	16,600	10,000	10,600	12,000	4.4%	9.3%	12.1%	13.8%	\$14.23	\$14.70	\$14.45	\$14.31	\$203	\$201	\$202	Austin
Baltimore	0.5%	2.2%	1.0%	0.7%	4,100	3,100	1,400	1,000	5.3%	6.6%	7.9%	9.3%	\$9.64	\$11.07	\$10.31	\$9.57	\$153	\$157	\$155	Baltimore
Boston	1.9%	1.1%	-0.0%	0.5%	4,300	6,500	11,800	2,700	4.7%	5.8%	7.9%	8.2%	\$12.03	\$11.78	\$12.06	\$12.43	\$205	\$202	\$204	Boston
Charleston	5.3%	4.2%	2.7%	2.1%	5,700	6,900	5,600	2,200	2.1%	6.5%	14.7%	14.3%	\$11.28	\$12.23	\$11.81	\$12.22	\$215	\$225	\$221	Charleston
Charlotte	3.2%	2.4%	1.5%	1.6%	9,100	9,400	11,400	6,300	5.4%	6.2%	9.2%	9.9%	\$7.68	\$8.27	\$8.18	\$8.54	\$202	\$204	\$202	Charlotte
Chicago	2.1%	0.9%	0.4%	0.2%	28,100	34,300	17,600	7,500	3.8%	5.2%	5.7%	5.6%	\$7.53	\$8.05	\$8.37	\$8.72	\$113	\$116	\$119	Chicago
Cleveland	1.6%	0.5%	-0.2%	0.7%	4,900	1,800	800	1,400	3.1%	3.4%	3.4%	3.5%	\$5.16	\$5.57	\$5.57	\$5.61	\$83	\$85	\$81	Cleveland
Columbus	0.9%	2.0%	0.9%	0.9%	13,200	13,900	4,400	2,900	3.8%	5.8%	6.8%	7.1%	\$8.88	\$9.80	\$10.01	\$10.28	\$112	\$116	\$116	Columbus
Dallas-Fort Worth	4.8%	2.0%	1.4%	1.2%	32,400	58,800	34,600	12,800	4.9%	8.2%	9.9%	9.5%	\$10.90	\$11.79	\$12.06	\$12.51	\$151	\$153	\$163	Dallas-Fort Worth
Denver	3.1%	1.0%	0.7%	0.4%	7,000	6,000	2,900	2,500	6.2%	7.5%	7.3%	7.1%	\$9.71	\$10.67	\$10.88	\$11.23	\$214	\$215	\$218	Denver
Detroit	2.3%	1.2%	0.8%	0.4%	8,200	6,100	3,800	3,100	3.8%	3.8%	4.3%	4.7%	\$6.92	\$7.40	\$7.56	\$7.74	\$93	\$96	\$103	Detroit
Fort Lauderdale	3.9%	2.2%	0.9%	1.0%	1,800	500	1,100	1,100	4.2%	4.4%	5.2%	6.0%	\$15.03	\$17.66	\$17.69	\$17.88	\$246	\$254	\$254	Fort Lauderdale
Houston	4.8%	2.4%	1.3%	1.4%	20,700	30,000	17,500	16,800	5.0%	6.9%	6.5%	6.4%	\$8.11	\$8.95	\$9.12	\$9.27	\$136	\$139	\$141	Houston
Indianapolis	2.9%	2.3%	1.0%	1.5%	20,500	20,900	5,900	2,700	4.5%	8.3%	9.3%	9.2%	\$6.62	\$7.69	\$6.97	\$6.84	\$113	\$109	\$109	Indianapolis
Jacksonville	3.3%	2.0%	1.6%	1.4%	2,700	5,200	4,100	3,500	2.1%	3.3%	5.6%	5.8%	\$8.60	\$9.39	\$10.32	\$10.77	\$122	\$129	\$130	Jacksonville
Las Vegas	5.4%	3.5%	1.4%	-0.4%	6,200	4,400	11,000	5,000	2.2%	3.5%	10.1%	12.4%	\$12.15	\$13.04	\$13.23	\$13.08	\$249	\$256	\$250	Las Vegas
Los Angeles	2.2%	0.1%	1.0%	-0.3%	4,000	5,500	5,100	5,000	2.3%	4.5%	6.5%	7.7%	\$26.90	\$26.47	\$23.73	\$23.35	\$346	\$339	\$339	Los Angeles
Memphis	1.4%	0.1%	-0.4%	0.3%	8,600	8,300	400	300	4.6%	6.5%	7.2%	7.7%	\$5.78	\$6.70	\$6.77	\$6.82	\$84	\$86	\$86	Memphis
Miami-Dade	5.0%	3.1%	2.1%	1.5%	5,200	5,100	5,800	2,300	2.2%	3.0%	5.6%	6.0%	\$15.85	\$18.54	\$17.71	\$18.20	\$301	\$304	\$306	Miami-Dade
Milwaukee	1.8%	0.3%	0.2%	0.8%	3,400	3,700	1,300	2,000	3.1%	3.1%	4.1%	4.9%	\$5.34	\$5.50	\$5.93	\$6.19	\$85	\$86	\$86	Milwaukee
Minneapolis-St. Paul	1.4%	1.2%	1.1%	0.5%	7,000	7,400	4,100	1,700	2.9%	4.1%	4.3%	4.0%	\$7.30	\$8.68	\$8.76	\$9.04	\$116	\$119	\$119	Minneapolis-St. Paul
New York City	4.6%	1.7%	2.7%	1.2%	2,500	300	2,200	2,800	5.8%	6.3%	7.3%	7.8%	\$23.56	\$24.58	\$25.41	\$26.15	\$511	\$511	\$514	New York City
Northern New Jersey	2.7%	2.2%	1.1%	0.7%	2,900	7,200	4,100	2,500	2.3%	4.7%	5.9%	6.3%	\$13.63	\$14.61	\$14.45	\$14.74	\$229	\$231	\$229	Northern New Jersey
Oakland	1.6%	0.7%	-0.4%	-0.3%	1,200	2,200	2,500	2,300	4.4%	5.7%	8.0%	8.7%	\$22.30	\$22.31	\$23.78	\$24.35	\$311	\$310	\$310	Oakland
Orange County	1.6%	0.9%	0.3%	0.2%	1,500	2,400	1,700	2,200	1.7%	3.2%	5.6%	6.5%	\$18.60	\$20.09	\$18.87	\$18.72	\$370	\$372	\$371	Orange County
Orlando	6.0%	3.0%	2.3%	1.8%	4,300	6,700	6,000	3,400	3.0%	4.3%	7.9%	9.3%	\$9.60	\$11.24	\$12.81	\$13.72	\$185	\$187	\$186	Orlando
Philadelphia	3.2%	1.6%	1.0%	1.4%	12,900	17,400	8,300	13,900	4.4%	6.8%	7.5%	8.2%	\$9.68	\$10.69	\$10.87	\$11.10	\$139	\$142	\$143	Philadelphia
Phoenix	3.8%	2.6%	1.1%	1.2%	23,700	20,900	30,400	15,000	4.6%	7.4%	11.9%	13.2%	\$10.74	\$12.33	\$12.09	\$11.85	\$204	\$211	\$218	Phoenix
Portland	2.7%	0.8%	0.1%	0.4%	3,300	1,400	2,100	3,300	3.5%	4.7%	6.7%	7.6%	\$11.44	\$11.29	\$10.88	\$11.05	\$218	\$214	\$211	Portland
Riverside-San Bernardino	2.3%	1.9%	1.2%	-0.2%	21,700	29,100	26,200	14,000	1.9%	5.7%	7.8%	9.0%	\$14.64	\$15.55	\$13.27	\$12.12	\$271	\$272	\$273	Riverside-San Bernardino
Sacramento	2.6%	1.5%	1.6%	1.0%	3,600	3,800	2,000	800	3.8%	5.3%	6.2%	6.7%	\$9.21	\$10.12	\$9.41	\$8.92	\$178	\$179	\$179	Sacramento
San Diego	3.2%	0.4%	0.8%	0.2%	2,400	2,900	2,400	3,500	3.3%	6.2%	8.4%	10.7%	\$20.63	\$20.85	\$19.56	\$18.27	\$329	\$325	\$331	San Diego
Seattle-Tacoma	2.1%	0.5%	1.8%	0.2%	9,100	6,700	6,300	6,000	3.8%	5.9%	7.8%	9.1%	\$13.37	\$12.49	\$12.67	\$12.52	\$300	\$275	\$273	Seattle-Tacoma
Tampa-St. Petersburg	3.9%	2.1%	1.0%	1.0%	5,800	6,400	4,900	3,300	3.6%	4.8%	5.8%	6.4%	\$10.40	\$12.07	\$11.94	\$12.25	\$158	\$161	\$161	Tampa-St. Petersburg
Washington, D.C.	1.5%	1.6%	1.5%	0.2%	5,800	9,700	6,000	3,200	4.9%	7.0%	7.9%	8.2%	\$11.86	\$13.04	\$13.37	\$13.76	\$225	\$234	\$246	Washington, D.C.
United States	3.0%	1.7%	1.3%	0.9%	460,700	528,800	368,900	250,000	3.7%	5.6%	6.9%	7.6%	\$10.86	\$11.48	\$11.36	\$11.45	\$152	\$157	\$159	United States

*Forecast ** As of 1Q

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IPA embraces a new world of commercial real estate with institutional connectivity and a versatile platform. We are constantly evolving our process, exceeding expectations, and delivering results.

ALAN L. PONTIUS

Senior Vice President, National Director IPA Industrial apontius@ipausa.com



EVAN DENNER

Executive Vice President, Head of Business IPA Capital Markets edenner@ipausa.com



JOHN CHANG

Chief Intelligence & Analytics Officer IPA Research Services jchang@ipausa.com

OFFICES THROUGHOUT THE UNITED STATES AND CANADA

RESEARCH SERVICES

4545 E. Shea Boulevard • Phoenix, AZ 85028 • 602.707.9700

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