

U.S. Industrial Market Reaches New Records

Amanda Ortiz, National Director of Industrial Research | U.S.

U.S. Research Report | Q3 2021 Industrial Market Outlook

The U.S. industrial market has accelerated at an unprecedented pace as pandemic-induced demand has reached all corners of the country. The necessity to deliver products to consumers as quickly as possible, coupled with the shift in supply chain strategies and governmental fiscal relief, provided the perfect storm to boost fundamentals, especially for big-box warehouse/distribution space. Transportation costs, typically the highest costs associated with distribution, continue to rise, prompting more companies to fine-tune their last-mile strategies to allow for more cost-efficient deliveries by expanding their footprints closer to the end-consumer.

Consumer spending remained steady, however, supply constraints slowed GDP growth in the third quarter. As a result, real gross domestic product (GDP) was weaker than expected and grew 2.0% in the third quarter, compared to the 6.7% increase during the second quarter. Despite the decelerated economic growth, the U.S. will remain the world's largest economy as China's GDP has also slowed considerably.

While GDP slows, so has employment growth. According to the Bureau of Labor Statistics, the economy added just 194,000 jobs in September to edge the unemployment rate down 0.4 percentage points to an 18-month low of 4.8%. While the rate is down significantly from its April 2020 peak, employment remains five million jobs shy of its pre-pandemic peak in February 2020. Moreover, labor issues continue to plague every link of the supply chain, causing further shipping delays.

Tightening markets and new, higher quality Class A industrial space hitting the market drove up asking rents for warehouse/distribution space to \$6.65 per square foot per year in Q3 2021, 5.6% higher than the same time last year and the highest asking rent on record. A shortage of available land sites, especially in urban core markets and markets near U.S. seaports, along with rising construction costs, continue to put upward pressure on rental rates.

Essential economic indicators for industrial real estate, including loaded inbound container and intermodal rail volume, continue to move in a positive direction. U.S. seaports are booming, with major locations posting year-over-year increases in loaded inbound container volumes. Overall container volume rose 15.1% at the top ports in the U.S. in September; however, significant backlogs and wait times are leaving thousands of containers undeliverable – and much more than the supply chain can handle.

U.S. industrial property fundamentals showed remarkable growth at the end of the third quarter, with little signs of abatement. Overall net absorption posted its largest quarterly totals for the fourth consecutive quarter with occupancy gains of nearly 176 million square feet during the third quarter, to bring the year-to-date total to 413.3 million square feet. Elevated levels of new supply and increased demand for personal consumption items online, including food products, helped maintain momentum in the industrial sector during the third quarter.

Market Indicators

Relative to Prior Quarter	Q2 2021	Q2 2022*
Vacancy Rate	–	=
Net Absorption	=	+
Construction	+	=
Rental Rate**	+	+

* Projected

** Warehouse rents

Source: Colliers

Summary Statistics

Vacancy Rate	4.4%
Change from Q3 2020	-1.1%
Markets with Lower	
Vacancies Compared with Q3 2020	86.8%
YTD 2021 Net Absorption (MSF)	413.3
Markets with Positive YTD Absorption	71
YTD New Supply to Inventory	1.6%
Under Construction (MSF)	477.2

Source: Colliers

Asking Rents (Per Square Foot Per Year)

Average Warehouse/Distribution Center	\$6.65
Average Manufacturing Space	\$6.91
Average Flex Space	\$14.31

Source: Colliers

Supply

- The accelerated growth of the industrial sector has been nothing short of astonishing. Pandemic-induced demand has impacted nearly every facet of the supply chain and industries ranging from retail and e-commerce, third party logistics and food products have taken advantage of the increased demand. To support these growth trends, occupiers' space needs for both inventory management and product fulfillment have risen considerably. With record-low vacancies in many industrial markets in the U.S., tenants increasingly turn to new construction to meet their modern space requirements. Year-to-date new supply totaled nearly 266 million square feet, with 107.5 million square feet completed in the third quarter. At the end of the quarter, seven markets completed more than 10 million square feet, with Chicago, Dallas-Fort Worth, Houston and Atlanta leading the way. Deliveries are expected to remain high at year-end as a record 477.2 million square feet remained under development at the end of the quarter. This trajectory, if continued, would set the U.S. industrial market on pace to beat the 397.4 million square feet record set in 2020. The largest facility completed during the third quarter was a four-story, 4-million-square-foot distribution center for Amazon in Colorado Springs, CO.
- The southern U.S. continues to lead the way in new development, with 101.2 million square feet of new construction delivered year-to-date. Some of the largest facilities completed in the southern markets in the third quarter include a five-story, 3.8-million-square-foot distribution facility in Austin and a five-story, 3.8-million square foot distribution center in Nashville – both completed for the e-commerce giant Amazon. In addition, over 190 million square feet remain under construction in southern markets, including a 3.7-million-square-foot manufacturing facility for Mazda and a 2.8-million-square-foot distribution facility for Amazon, both scheduled to be completed early in the fourth quarter. Of the 23 markets we track in the Southern U.S., 17 currently have at least one million square feet in development.
- The overall vacancy rate fell 45 basis points compared with the previous quarter, and 14 industrial markets posted vacancies lower than 2%. Due to limited available space in most markets, oversupply in the industrial market is of little concern for 2021, justifying the record-setting under construction total. In fact, nine markets tracked by Colliers more than doubled the amount of product delivered year-over-year, including Norfolk, the San Francisco Peninsula, Detroit, Sacramento, Nashville and Austin. Demand remains higher than ever for warehouse/distribution facilities, making the amount of current development completely warranted.

Top 5 Markets: Transaction Volume 2021 YTD

Los Angeles	\$5,231 Million
Dallas	\$4,551 Million
Atlanta	\$4,404 Million
Inland Empire	\$4,360 Million
Chicago	\$4,161 Million

Source: Colliers

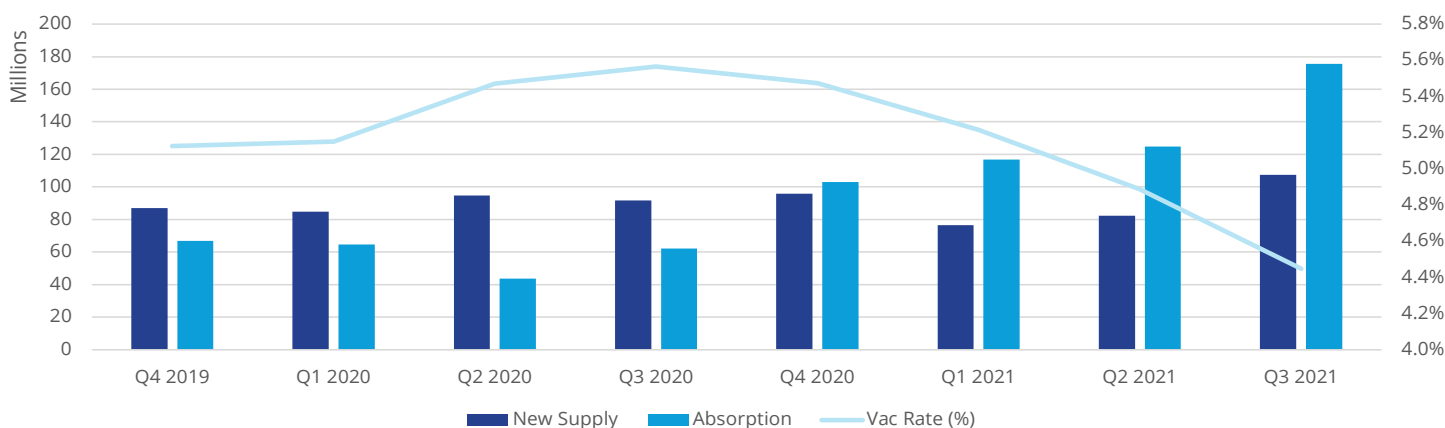
Top 5 Markets: Net Absorption 2021 YTD

Dallas-Fort Worth	33.9 MSF
Chicago	32.9 MSF
Atlanta	27.4 MSF
Inland Empire	22.2 MSF
Houston	18.0 MSF

Source: Colliers

U.S. Industrial Market

Q4 2019 - Q3 2021



Source: Colliers

Demand

- The need for industrial space is greater than ever as occupiers compete for limited warehouse space and focus on storing products for longer periods of time – shifting from a just-in-time inventory system to a just-in-case inventory strategy. To illustrate this, year-over-year occupancy gains more than doubled over this time last year, the highest year-to-date total ever recorded. Net absorption totaled 175.7 million square feet during the third quarter alone, the highest quarterly total. As the upcoming holiday season looms near and shipping delays persist at many of our U.S. seaports, the industrial sector is gearing up for an incredibly active end to the year. This sustained demand for online products continues to drive industrial expansion, and total retail sales are projected to grow between 7% and 10% at the end of 2021, with e-commerce accounting for 18.4% of sales. This growth should continue to encourage demand for warehouse distribution space, especially near already-tight port markets.
- Dallas-Fort Worth, Chicago, Atlanta, the Inland Empire, Houston and Phoenix rounded out the top markets for occupancy gains, with each posting more than 15 million square feet of positive absorption year-to-date. Twenty-nine markets posted occupancy gains greater than 5 million square feet at the end of the third quarter, and on the other hand, just three industrial markets posted negative absorption – Huntsville, Eastern Idaho and Hartford.
- The markets experiencing the most activity growth (absorption as a percent of inventory) include emerging markets, with Austin, Las Vegas, Salt Lake City, Savannah and Norfolk posting the strongest growth – each at more than 6%. Demand for logistics and distribution space, primarily fueled by e-commerce occupiers, along with a strong labor base, supports the steady growth seen in these cities.
- With demand reaching an all-time high, industrial activity is expected to remain stable over the next 12-18 months. However, persistent backlogs at our major ports pose a potential headwind to industrial growth. Products continue to be imported, but the wait times to unload are nearly double the wait times prior to the onset of the pandemic. According to freight booking platform Freightos, pre-pandemic goods shipped between China and the U.S. via container ship took just over 40 days. However, hold-ups and delays have extended that time to upwards of 70 days in July, August and September of 2021. The delays are much longer than those at the beginning of the global coronavirus pandemic in the spring of 2020 when transit time briefly spiked at 56 days. With the upcoming holiday season in mind, major retailers including, Target, Walmart and Home Depot are attempting to prevent further delays by chartering their own ships rather than sharing costs with other companies.



U.S. Economic Indicators

GDP

Q3 2021	2.0%
Q2 2021	6.7%

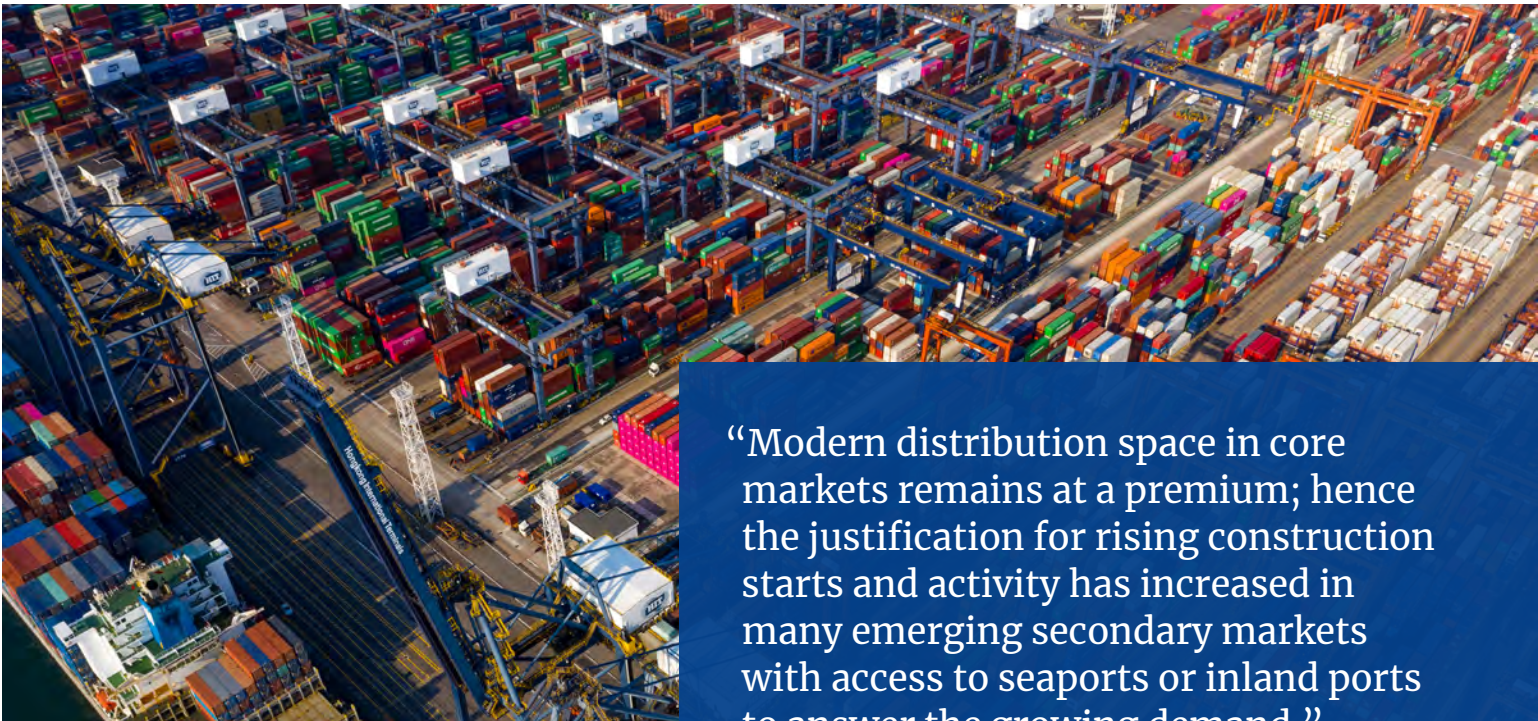
ISM

September 2021 PMI ®	61.1, up 1.2 percentage points over August
----------------------	--

Sept 2021 Rail Time Indicators: AAR.ORG

Total Railcar Traffic	8.0% since Sept 2020
Intermodal Traffic	4.6% since Sept 2020

Sources: BEA, ISM, AAR



“Modern distribution space in core markets remains at a premium; hence the justification for rising construction starts and activity has increased in many emerging secondary markets with access to seaports or inland ports to answer the growing demand.”

Outlook

- The industrial sector continues to expand due to the insatiable appetite for industrial space by e-commerce occupiers. Amazon continues to be a major force within the retail space, although its growth has been restrained over the last few months. Amazon’s net sales grew just 15.3% during the third quarter, compared to a growth high of 43.8% during the first quarter of 2021. Other major national retailers continue to modernize their supply chains to remain competitive in the online retail space, yet many are still trying to play catch-up. Modern distribution space in core markets remains at a premium; hence the justification for rising construction starts and activity has increased in many emerging secondary markets with access to seaports or inland ports to answer the growing demand.
- Economic growth has begun to cool as the stimulus-driven demand surge ends. Concerns over the proposed government infrastructure plan and a less-than-stellar labor pool remain are contributing to the slight deceleration of economic growth. However, a holiday sales boost during the last months of the year and steady growth for both brick-and-mortar and e-commerce sales should sustain demand for warehouse and distribution space.
- According to Real Capital Analytics, the industrial market has never been stronger as investors cannot get enough of this asset class. Investment sales for the first three quarters of 2021 have totaled \$94.8 billion, a figure that is higher than any comparable first three quarters of a year over time. Cap rate compression continues, with 3% (and lower) deals becoming more common. For example, in September, a newly built Target distribution facility in Swedesboro, NJ, was sold to Torchlight Investors for a reported 3% cap rate. The 1.1 million square foot facility traded for \$265 million, or \$239 per square foot. Portfolio volume is on the upswing, adding even more liquidity to the already red-hot industrial market. The top markets for investor demand are Greater Los Angeles, Dallas-Fort Worth, Atlanta, the Inland Empire and Chicago, each transacting more than \$4 billion year-to-date. Investor appetite for industrial product is expected to remain high through 2022 and the industrial sector should continue to outperform other asset classes.
- There appears to be no end in sight for the industrial sector’s record run. As a result, demand for warehouse and distribution space should remain high. However, headwinds to be mindful of include the persistent backlog at some of the nation’s largest seaports, labor shortages affecting each link in the supply chain, and the continued lack of available land in many of our largest industrial markets. Despite these challenges, 2021 will prove to be the best year yet, and industrial fundamentals are expected to remain positive throughout the next several years.

Inventory, New Supply, Under Construction | United States Industrial Survey

MARKET	INVENTORY Q3 2021 (SF)	TOTAL NEW SUPPLY Q3 2021 (SF)	TOTAL UNDER CONSTRUCTION (SF)	TOTAL NEW SUPPLY YTD (SF)
West				
Albuquerque	40,101,954	0	0	0
Bakersfield	40,783,037	50,000	0	50,000
Boise	41,499,127	40,000	1,447,518	72,900
Central Idaho	13,417,550	0	79,404	0
Denver	261,005,179	2,516,459	10,754,572	4,397,946
Eastern Idaho	9,569,363	160,200	292,870	160,200
Fresno	54,092,637	0	0	52,368
Greater Los Angeles	1,673,837,228	3,090,419	32,324,333	16,316,310
Inland Empire	577,749,033	2,540,063	23,315,977	12,610,693
Los Angeles	860,013,061	307,380	7,143,656	3,305,259
Orange County	236,075,134	242,976	1,864,700	400,358
Honolulu	41,256,166	46,200	95,881	46,200
Las Vegas	147,248,633	2,969,174	6,586,660	5,626,965
Phoenix	336,692,590	5,973,046	19,672,136	12,526,134
Portland	207,692,997	165,000	2,558,315	512,200
Reno/Sparks	101,477,510	107,751	4,251,628	1,328,591
Sacramento	173,767,760	1,524,460	2,751,001	5,937,446
Salt Lake City	175,254,406	2,662,746	11,852,720	7,186,765
Salt Lake County	134,550,736	1,905,285	8,319,031	5,565,519
Utah County	40,703,670	757,461	3,533,689	1,621,246
San Diego	196,082,893	3,538,776	5,392,782	4,320,366
San Francisco Bay Area	550,037,447	1,722,933	6,797,623	4,493,802
East Bay	187,276,109	0	1,619,033	624,627
Fairfield, CA	55,198,722	1,044,801	1,815,554	1,246,751
San Francisco Peninsula	59,129,809	234,892	2,723,860	1,270,562
Silicon Valley	248,432,807	443,240	639,176	1,351,862
Santa Fe	1,485,788	0	0	0
Seattle/Puget Sound	254,617,258	622,314	7,265,029	6,641,608
Stockton	123,631,340	557,576	5,303,339	3,194,588
West Total	4,443,550,863	25,747,054	117,425,811	72,864,389
Midwest				
Chicago	1,460,978,340	16,405,863	24,627,033	27,219,054
Cincinnati	276,336,050	1,063,007	6,268,302	4,549,899
Cleveland	371,608,017	734,000	3,555,000	1,841,023
Columbus	265,791,707	2,284,155	13,750,555	6,634,365
Dayton	95,450,725	650,000	2,513,776	975,910
Detroit	629,385,328	2,684,821	8,223,027	6,805,574
Grand Rapids	136,127,825	394,918	1,604,100	550,531
Indianapolis	288,988,903	1,701,692	25,652,085	7,936,016
Kansas City	274,401,666	988,957	11,225,671	2,713,190
Milwaukee	280,626,324	297,500	2,491,101	3,169,720
Minneapolis-St. Paul	377,491,535	14,688	5,432,027	736,632
Omaha	77,301,279	239,580	3,421,717	784,126
St. Louis, MO	251,526,696	815,826	5,933,842	2,484,953
Midwest Total	4,786,014,395	28,275,007	114,698,236	66,400,993

Source: Colliers

Inventory, New Supply, Under Construction | United States Industrial Survey

MARKET	INVENTORY Q3 2021 (SF)	TOTAL NEW SUPPLY Q3 2021 (SF)	TOTAL UNDER CONSTRUCTION (SF)	TOTAL NEW SUPPLY YTD (SF)
Northeast				
Baltimore Metropolitan Area	224,944,877	980,701	4,468,607	2,127,396
Boston	160,701,541	160,000	3,109,780	874,295
Hartford	113,917,023	0	0	139,718
New Hampshire Markets	70,312,455	286,298	280,000	352,298
New York City Metro	857,083,354	2,020,048	16,897,847	5,640,334
Central New Jersey	337,046,001	1,051,707	8,870,056	2,819,135
Long Island	160,438,201	0	1,092,847	100,000
Northern New Jersey	359,599,152	968,341	6,934,944	2,721,199
Philadelphia	492,295,836	7,237,078	23,725,816	12,578,199
Lehigh Valley	104,106,469	967,736	8,121,798	3,890,121
Philadelphia	388,189,367	6,269,342	15,604,018	8,688,078
Pittsburgh	173,010,602	400,000	1,912,552	521,682
Washington, DC	225,451,818	1,191,640	4,205,086	3,304,132
Northeast Total	2,317,717,506	12,275,765	54,599,688	25,538,054
South				
Atlanta	784,276,480	2,530,251	37,768,498	13,887,861
Augusta Aiken	12,993,446	0	0	0
Austin	54,336,710	3,842,019	2,600,081	4,041,776
Birmingham	135,608,778	529,568	0	3,319,568
Charleston	53,979,096	182,000	6,661,715	711,280
Charlotte	195,616,673	1,024,573	7,337,074	1,849,737
Columbia	70,201,938	206,440	1,641,783	503,220
Dallas-Fort Worth	935,935,663	4,370,877	47,597,446	19,375,109
Florence Myrtle Beach	32,963,196	0	0	0
Greenville Spartanburg	208,188,021	1,479,340	300,400	4,188,301
Houston	663,021,818	6,032,341	14,697,722	14,818,026
Huntsville	36,279,917	471,392	0	743,265
Jacksonville	124,570,427	43,426	2,891,161	328,985
Memphis	275,970,425	4,821,940	12,974,170	10,633,401
Nashville	202,709,214	4,209,000	5,277,156	6,781,530
Norfolk	83,008,296	4,946,197	891,000	4,966,197
Orlando	159,822,676	513,704	3,632,402	943,984
Raleigh/Durham	99,361,294	215,490	1,633,057	512,140
Richmond	107,280,186	100,000	3,422,236	145,000
Savannah	89,535,854	1,469,750	21,285,928	2,524,000
Shenandoah Valley/I-81 Corridor	89,413,470	1,641,867	2,874,400	1,731,867
South Florida	395,378,156	475,475	4,730,476	4,633,538
Tampa Bay	273,269,657	2,091,032	12,255,121	4,534,102
South Total	5,083,721,391	41,196,682	190,471,826	101,172,887
U.S. Total	16,631,004,155	107,494,508	477,195,561	265,976,323

Source: Colliers

Absorption, Vacancy | United States Industrial Survey

MARKET	INVENTORY Q3 2021 (SF)	TOTAL NEW SUPPLY Q3 2021 (SF)	TOTAL UNDER CONSTRUCTION (SF)	TOTAL NEW SUPPLY YTD (SF)
West				
Albuquerque	45,311	427,577	1.3%	1.2%
Bakersfield	637,724	584,037	3.2%	1.7%
Boise	360,542	1,405,473	3.1%	1.9%
Central Idaho	900	100,489	0.8%	0.9%
Denver	2,925,571	4,754,793	7.4%	9.7%
Eastern Idaho	-346,235	-249,009	0.8%	8.2%
Fresno	215,607	750,196	3.4%	3.0%
Greater Los Angeles	8,708,050	35,702,097	1.2%	0.8%
Inland Empire	5,183,011	22,207,733	1.2%	0.8%
Los Angeles	2,750,124	11,508,048	1.0%	0.8%
Orange County	774,915	1,986,316	1.6%	1.3%
Honolulu	231,805	538,942	2.3%	1.7%
Las Vegas	4,454,889	9,791,254	4.3%	3.2%
Phoenix	7,261,252	17,270,101	6.1%	5.4%
Portland	356,587	281,752	5.3%	5.1%
Reno/Sparks	1,046,898	4,096,903	3.2%	3.3%
Sacramento	1,344,778	6,829,838	5.4%	5.3%
Salt Lake City	4,012,718	11,248,021	2.2%	1.5%
Salt Lake County	2,916,167	8,927,193	2.4%	1.8%
Utah County	1,096,551	2,320,828	1.6%	0.7%
San Diego	4,464,532	6,819,949	4.3%	3.8%
San Francisco Bay Area	3,473,507	4,238,313	5.0%	4.5%
East Bay	120,034	293,985	4.4%	4.4%
Fairfield, CA	1,546,760	2,034,522	3.0%	2.0%
San Francisco Peninsula	42,041	1,012,646	4.3%	4.1%
Silicon Valley	1,764,672	897,160	6.1%	5.3%
Santa Fe	0	0	0.3%	0.1%
Seattle/Puget Sound	3,014,925	9,745,194	6.8%	5.2%
Stockton	1,145,293	6,217,355	6.2%	5.7%
West Total	43,354,654	120,553,275	3.6%	3.3%
Midwest				
Chicago	18,233,143	32,935,381	6.3%	6.0%
Cincinnati	1,576,019	4,885,785	6.2%	6.0%
Cleveland	924,104	3,366,713	4.4%	4.3%
Columbus	4,016,388	11,911,601	3.7%	2.9%
Dayton	1,136,730	951,987	6.2%	5.2%
Detroit	6,283,704	7,633,903	4.7%	4.3%
Grand Rapids	547,477	804,660	1.3%	3.6%
Indianapolis	6,430,970	13,389,826	6.0%	4.0%
Kansas City	2,960,938	7,239,139	4.4%	4.6%
Milwaukee	1,263,837	104,365	6.6%	6.1%
Minneapolis-St. Paul	547,068	2,106,637	3.8%	3.8%
Omaha	725,966	1,124,928	3.9%	3.4%
St. Louis, MO	902,314	3,438,838	4.1%	4.0%
Midwest Total	45,548,658	89,893,763	5.2%	4.9%

Source: Colliers

Absorption, Vacancy | United States Industrial Survey

MARKET	INVENTORY Q3 2021 (SF)	TOTAL NEW SUPPLY Q3 2021 (SF)	TOTAL UNDER CONSTRUCTION (SF)	TOTAL NEW SUPPLY YTD (SF)
Northeast				
Baltimore Metropolitan Area	863,987	2,663,009	8.3%	8.3%
Boston	1,150,362	2,906,356	7.3%	6.9%
Hartford	-178,471	-80,286	5.3%	4.4%
New Hampshire Markets	110,843	621,918	4.0%	4.1%
New York City Metro	5,955,309	13,872,053	2.7%	2.2%
Central New Jersey	665,046	4,899,997	1.5%	1.6%
Long Island	2,317,236	3,233,896	4.3%	2.8%
Northern New Jersey	2,973,027	5,738,160	3.1%	2.5%
Philadelphia	9,134,572	20,141,349	3.5%	3.1%
Lehigh Valley	1,590,934	7,513,956	3.7%	3.0%
Philadelphia	7,543,638	12,627,393	3.5%	3.1%
Pittsburgh	802,834	2,059,022	5.8%	5.5%
Washington, DC	2,463,292	5,452,924	5.8%	5.1%
Northeast Total	20,302,728	47,636,345	4.4%	4.0%
South				
Atlanta	5,655,453	27,359,935	4.8%	4.4%
Augusta Aiken	0	228,000	9.1%	9.1%
Austin	4,631,635	5,532,335	6.6%	4.7%
Birmingham	711,902	2,910,848	3.1%	3.1%
Charleston	917,707	2,269,079	7.9%	6.5%
Charlotte	2,799,521	4,057,058	8.4%	7.0%
Columbia	335,234	772,696	4.4%	3.9%
Dallas-Fort Worth	10,552,151	33,888,587	6.4%	5.7%
Florence Myrtle Beach	-7,700	293,794	5.3%	5.3%
Greenville Spartanburg	2,971,391	7,494,648	6.8%	5.4%
Houston	11,636,511	17,958,142	8.8%	7.9%
Huntsville	-164,429	-293,786	11.7%	11.3%
Jacksonville	1,079,764	2,504,898	4.8%	4.0%
Memphis	5,716,405	12,115,527	5.7%	6.1%
Nashville	4,935,322	6,795,925	4.1%	3.9%
Norfolk	4,985,105	5,079,916	2.0%	1.4%
Orlando	1,055,640	2,050,869	5.3%	4.7%
Raleigh/Durham	393,347	1,444,258	5.4%	2.7%
Richmond	-183,127	166,855	3.3%	3.6%
Savannah	3,229,072	5,542,247	3.9%	2.1%
Shenandoah Valley/I-81 Corridor	1,454,148	1,789,391	5.2%	5.3%
North Shenandoah Valley	1,881,227	2,289,367	5.1%	4.5%
South Shenandoah Valley	-427,079	-499,976	5.3%	6.7%
South Florida	2,770,896	9,440,304	5.1%	4.1%
Fort Lauderdale	1,523,208	3,036,323	7.7%	6.0%
Miami	1,446,492	6,029,095	3.9%	3.2%
Palm Beach	-198,804	374,886	4.3%	3.9%
Tampa Bay	978,309	5,803,047	5.2%	5.1%
South Total	66,454,257	155,204,573	5.9%	5.3%
U.S. Total	175,660,297	413,287,956	4.9%	4.4%

Source: Colliers

Direct Asking NNN Rents | United States Industrial Survey

MARKET	MANUFACTURING SPACE (USD/SF/YR)	FLEX / SERVICE SPACE (USD/SF/YR)	WAREHOUSE / DISTRIBUTION SPACE (USD/SF/YR)
West			
Albuquerque	\$13.08	\$12.74	\$7.58
Bakersfield		\$8.97	\$6.43
Boise			\$7.60
Central Idaho			\$8.67
Denver		\$13.44	\$8.66
Eastern Idaho			\$8.16
Fresno	\$4.80	\$11.37	\$6.14
Greater Los Angeles			\$13.47
Inland Empire			\$12.13
Los Angeles			\$13.75
Orange County			\$14.84
Honolulu			\$15.88
Las Vegas	\$10.53	\$15.26	\$8.36
Phoenix	\$8.84	\$12.81	\$6.97
Portland	\$7.43	\$16.25	\$8.27
Reno/Sparks	\$10.46	\$11.40	\$7.20
Sacramento	\$3.38	\$10.46	\$7.23
Salt Lake City			\$7.52
Salt Lake County			\$7.38
Utah County			\$8.74
San Diego	\$13.47	\$26.52	\$12.60
San Francisco Bay Area	\$14.12	\$32.04	\$12.45
East Bay	\$11.97	\$33.73	\$10.87
Fairfield, CA	\$9.98	\$8.92	\$8.10
San Francisco Peninsula	\$21.39	\$49.83	\$19.60
Silicon Valley	\$17.67	\$30.71	\$14.96
Santa Fe	\$11.00		
Seattle/Puget Sound	\$9.52	\$19.87	\$9.66
Stockton	\$5.79	\$14.35	\$7.30
West Total	\$10.73	\$23.87	\$9.22
Midwest			
Chicago			\$5.50
Cincinnati	\$4.33	\$7.03	\$4.39
Cleveland	\$2.95	\$6.82	\$4.04
Columbus		\$7.10	\$3.99
Dayton	\$2.69	\$5.78	\$4.20
Detroit		\$11.99	\$5.89
Grand Rapids	\$4.89	\$6.52	\$4.70
Indianapolis	\$5.10	\$7.82	\$4.58
Kansas City	\$4.38	\$9.61	\$4.54
Milwaukee	\$5.14	\$6.65	\$5.31
Minneapolis-St. Paul	\$5.88	\$8.45	\$5.55
Omaha	\$8.25	\$9.00	\$6.03
St. Louis, MO	\$6.79	\$7.36	\$4.96
Midwest Total	\$4.70	\$8.61	\$5.20

Source: Colliers

Direct Asking NNN Rents | United States Industrial Survey

MARKET	MANUFACTURING SPACE (USD/SF/YR)	FLEX / SERVICE SPACE (USD/SF/YR)	WAREHOUSE / DISTRIBUTION SPACE (USD/SF/YR)
Northeast			
Baltimore Metropolitan Area	\$7.77	\$11.31	\$6.45
Boston	\$11.11	\$11.04	\$10.38
Hartford	\$4.56	\$7.72	\$5.65
New Hampshire Markets	\$7.79	\$8.32	\$8.90
New York City Metro	\$11.04	\$12.35	\$11.90
Central New Jersey	\$9.84	\$10.35	\$10.13
Long Island	\$14.84	\$16.79	\$14.29
Northern New Jersey	\$10.45	\$12.84	\$11.41
Philadelphia	\$6.04	\$11.42	\$7.00
Lehigh Valley	\$7.94	\$9.36	\$7.25
Philadelphia	\$5.98	\$11.78	\$6.90
Pittsburgh	\$5.64	\$12.44	\$7.76
Washington, DC	\$10.31	\$14.86	\$9.80
Northeast Total	\$7.66	\$12.08	\$8.86
South			
Atlanta	\$6.26	\$11.46	\$4.97
Augusta Aiken	\$2.29		\$3.23
Austin		\$14.61	\$10.05
Birmingham	\$4.60	\$7.70	\$4.43
Charleston	\$7.95	\$11.92	\$7.49
Charlotte		\$12.93	\$6.64
Columbia	\$3.14	\$9.33	\$4.25
Dallas-Fort Worth	\$6.21	\$10.67	\$5.93
Florence Myrtle Beach	\$4.00		\$3.64
Greenville Spartanburg	\$5.04	\$9.39	\$3.51
Houston	\$6.30	\$9.97	\$7.64
Huntsville	\$5.12	\$9.93	\$6.60
Jacksonville	\$7.16	\$10.45	\$4.91
Memphis		\$6.39	\$3.65
Nashville	\$6.42	\$12.38	\$6.91
Norfolk	\$5.23	\$9.83	\$5.56
Orlando		\$12.62	\$7.29
Raleigh/Durham	\$5.34	\$18.74	\$6.30
Richmond	\$5.43	\$8.72	\$5.04
Savannah	\$3.50		\$6.04
Shenandoah Valley/I-81 Corridor	\$4.89	\$7.00	\$4.59
North Shenandoah Valley	\$5.04	\$7.00	\$5.65
South Shenandoah Valley	\$4.50		\$3.13
South Florida	\$10.06	\$16.33	\$10.36
Fort Lauderdale	\$10.80	\$13.63	\$9.66
Miami	\$9.34	\$23.96	\$11.14
Palm Beach	\$9.21	\$16.43	\$9.84
Tampa Bay		\$12.16	\$5.72
South Total	\$5.87	\$11.62	\$6.20
U.S. Total	\$6.91	\$14.31	\$6.65

Source: Colliers



Industrial Services

Pete Quinn, SIOR
National Director
Industrial | U.S.
+1 317 713 2107
pete.quinn@colliers.com

Research

Amanda Ortiz
National Director
Industrial Research | U.S.
+1 847 698 8222
amanda.ortiz@colliers.com

