

FIGURES | U.S. INDUSTRIAL | Q4 2025

# Industrial Leasing Activity Jumps by 12% in 2025

▲ 9.2%

Availability Rate

▲ 6.7%

Vacancy Rate

▼ \$10.85

Net Asking Rent

▼ 149.2 MSF

YTD Net Absorption

▼ 281.9 MSF

YTD Completions

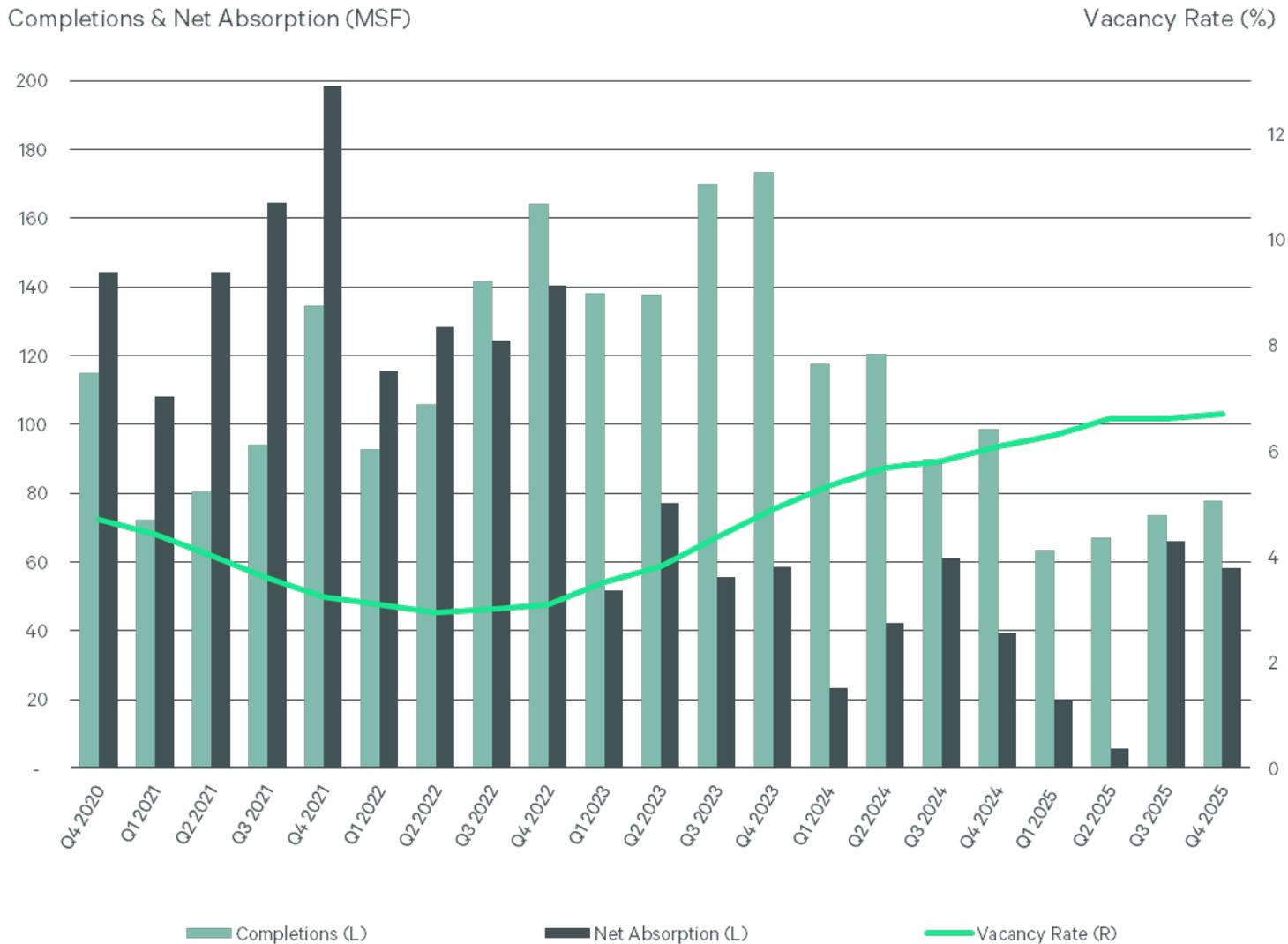
Note: Arrows indicate year-over-year change.

## Executive Summary

- Accelerated leasing activity in Q4 resulted in 2025 having the second-highest annual leasing volume after 2021.
- Net absorption totaled 58.2 million sq. ft. in Q4, bringing the annual total to 149.2 million sq. ft. More than half of annual absorption occurred in H2 as many build-to-suit projects were completed.
- Strong absorption in H2 was not enough to offset new supply. The vacancy rate increased by 10 basis points (bps) to 6.7% in Q4, while the availability rate remained at 9.2% as occupiers continued to rightsize portfolios.
- Construction completions outpaced absorption for the 14<sup>th</sup> consecutive quarter but at a slower pace than prior years. Space under construction fell by 12.7% year-over-year to 220.6 million sq. ft. in Q4.
- Mega big-box facilities drove leasing momentum in Q4. Facilities over 1.2 million sq. ft. had the largest year-over-year leasing increase.

## Figure 1 Vacancy edges higher as supply-demand gap widens

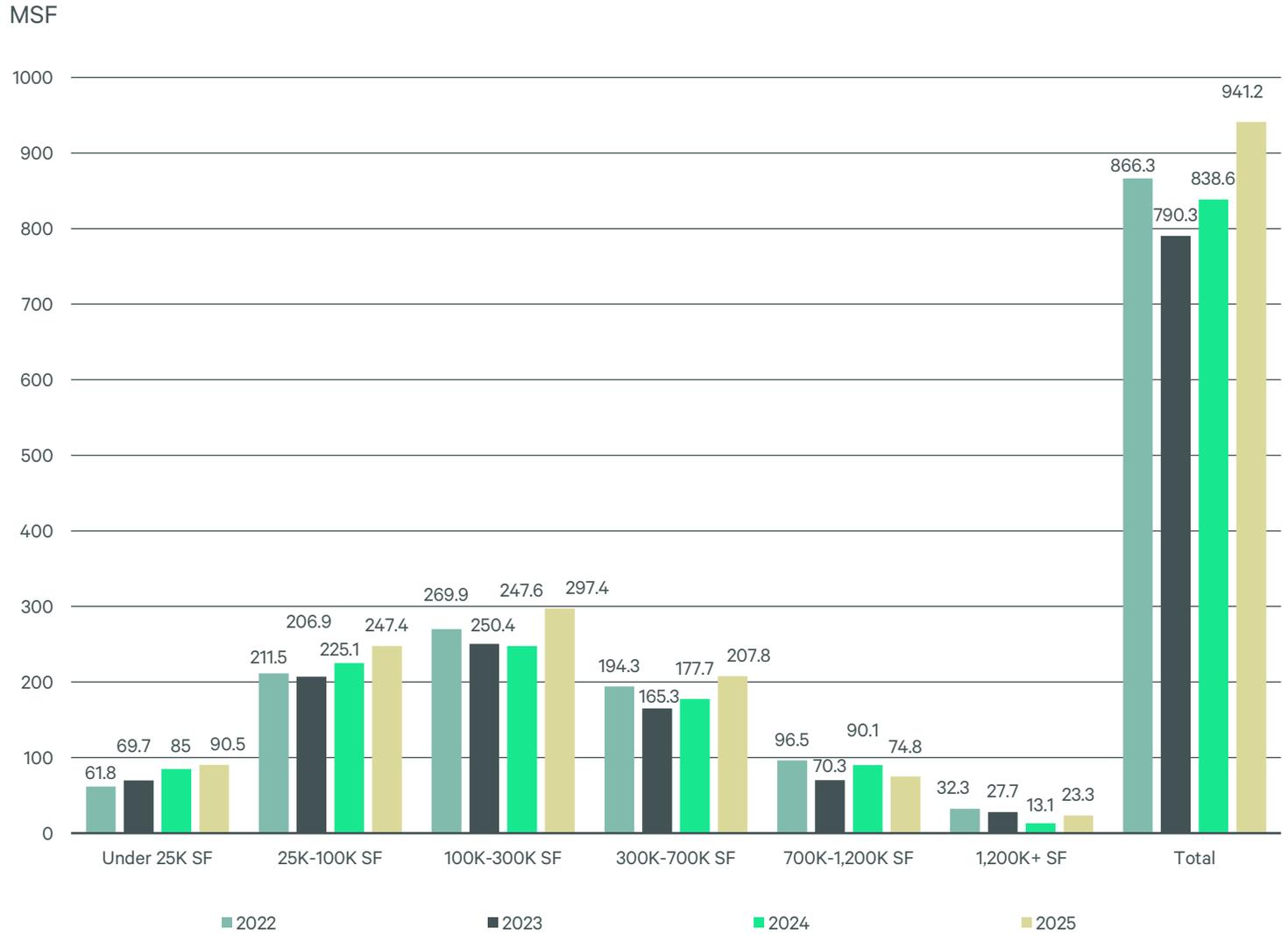
- The overall vacancy rate increased to 6.7% in Q4, as new construction completions exceeded occupancy gains.
- Construction completions totaled 281.9 million sq. ft. in 2025, well below the 426.6 million sq. ft. in 2024 but nearly double the 149.2 million sq. ft. in annual net absorption.
- Net absorption totaling 58.2 million sq. ft. in Q4 was not enough to offset the 77.7 million sq. ft. in new construction due to several large build-to-suit deliveries and delayed move-ins.
- The gap between supply and demand widened in Q4 after a brief contraction in Q3, reflecting the lag between project deliveries and tenant move-ins.
- Despite the uptick in vacancy, absorption increased substantially in H2 2025.



Source: CBRE Econometric Advisors, Q4 2025.

## Figure 2 Mega big-box facilities record highest leasing growth

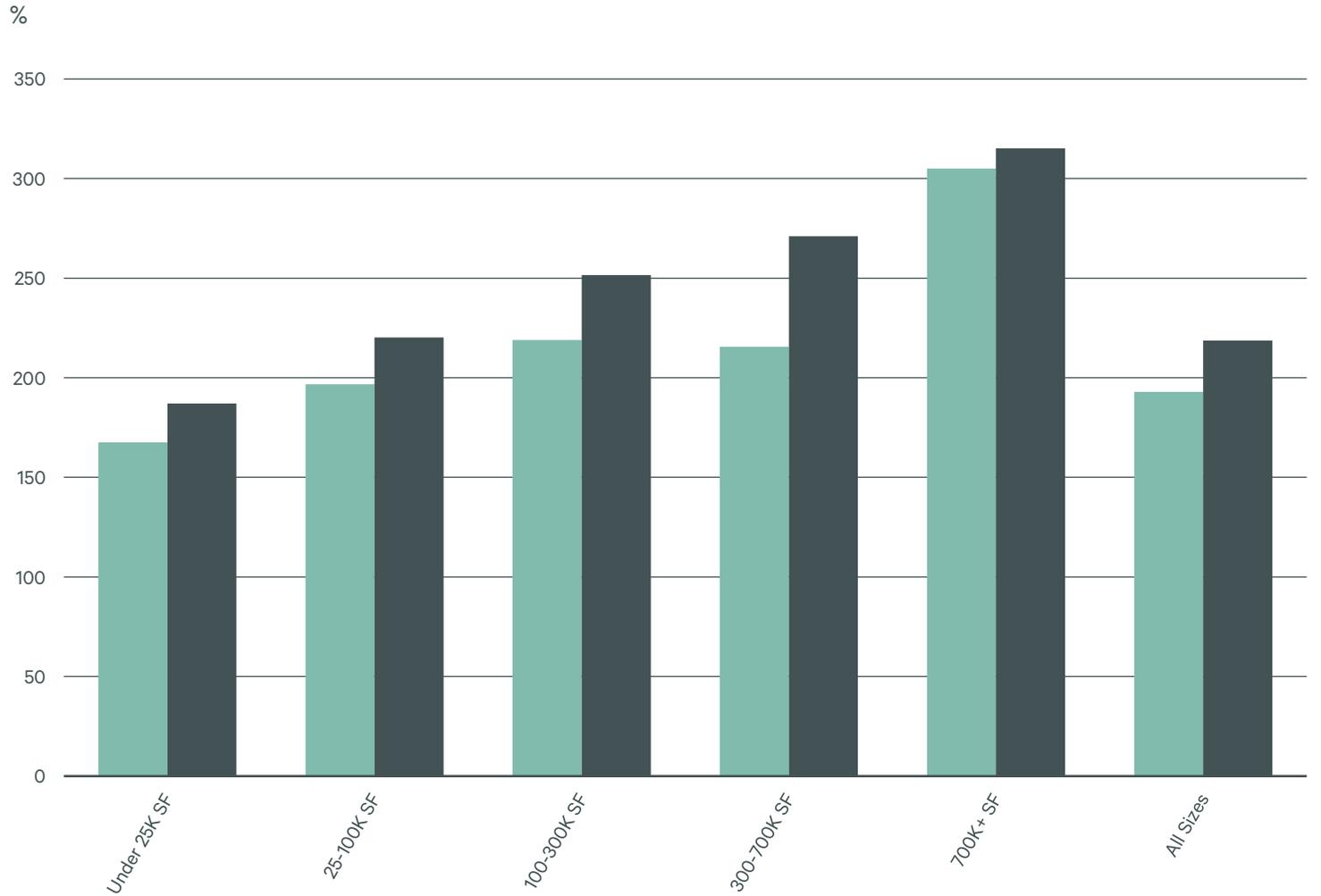
- Annual leasing activity rose by 12.2% year-over-year to 941.2 million sq. ft., driven by large leases in Q4 as occupier sentiment improved amid stronger economic conditions.
- Mega big-box facilities over 1.2 million sq. ft. posted a 77.9% year-over-year increase in annual leasing activity as large occupiers optimized their supply chain networks.
- Mid-sized facilities between 100,000 and 300,000 sq. ft. also posted a solid 20.1% gain, while leasing activity for facilities between 700,000 and 1.2 million sq. ft. fell by 17%.
- The number of leases for 1 million sq. ft. or more fell to 46 in 2025 from 49 in 2024. Large occupiers signed approximately 17 leases of this size in Q4 compared with only 11 in Q4 2024, signaling renewed engagement.



Source: CBRE Research, Q4 2025.

### Figure 3 Early renewals accelerate

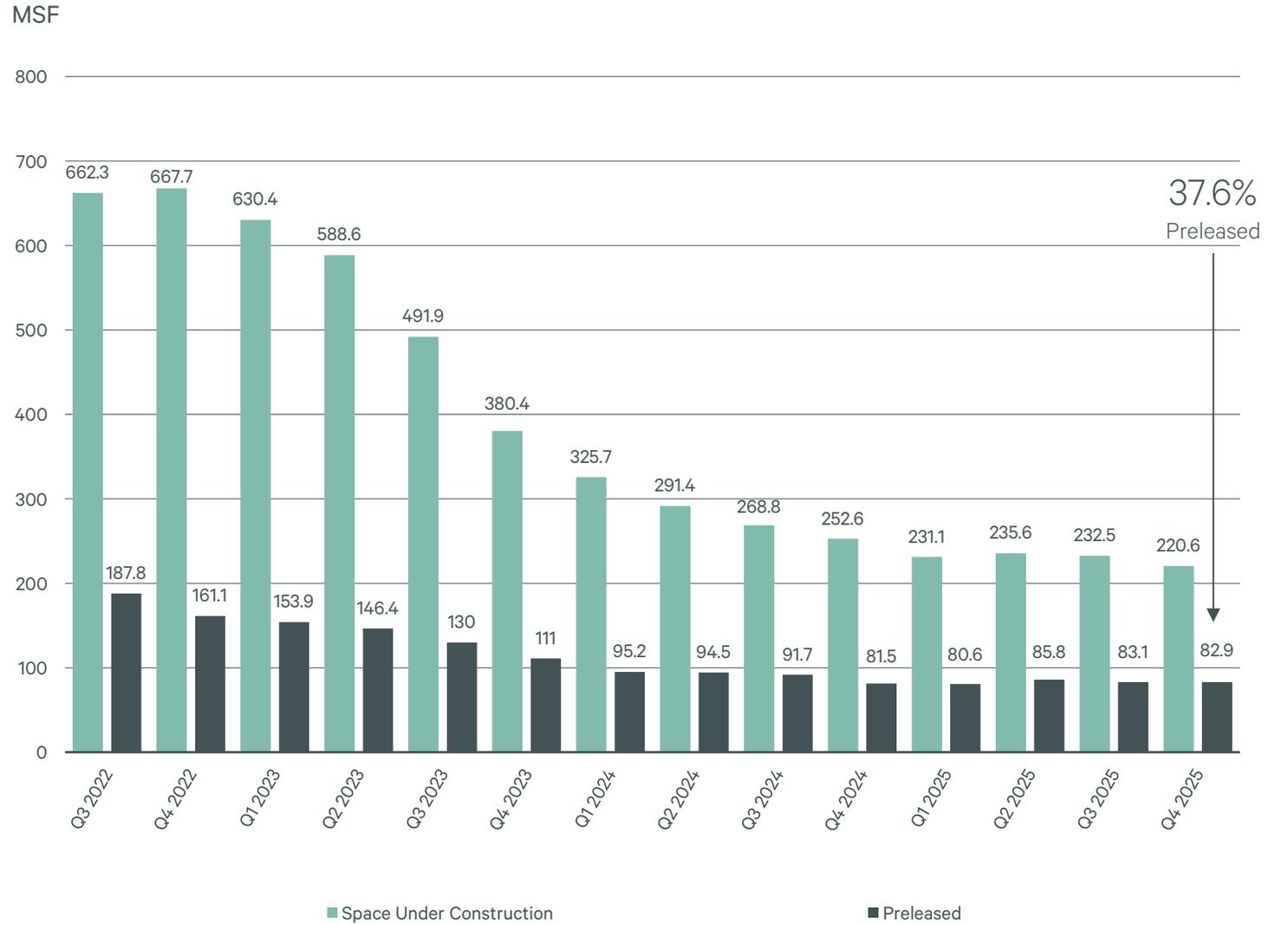
- The average lease renewal was signed 219 days before expiration in 2025, up from 193 days in 2024 as tenants sought greater certainty about occupancy costs and operational stability.
- Early lease renewals were most common among larger occupiers. Renewals for facilities between 300,000 and 700,000 sq. ft. were signed 271 days before expiration, up from 216 days in 2024. Renewals for facilities larger than 700,000 sq. ft. extended to more than 315 days before expiration.
- Smaller occupiers also signed renewals earlier. Leases under 25,000 sq. ft. were renewed nearly 20 days earlier in 2025 than in 2024.



Source: CBRE Research, Q4 2025.

## Figure 4 Preleasing rises as construction pipeline contracts

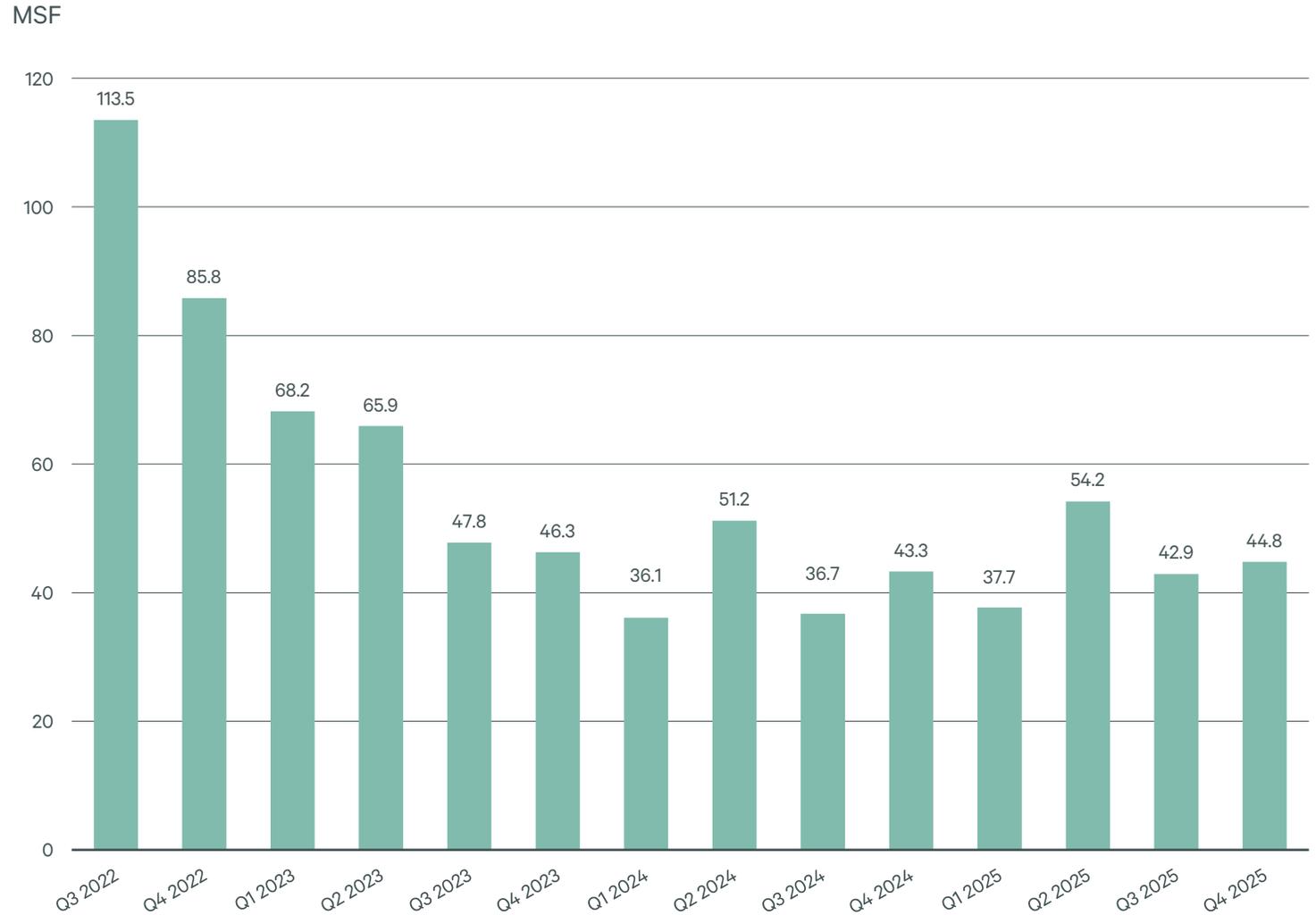
- Industrial space under construction fell to 220.6 million sq. ft. from 232.5 million in Q3 as fewer speculative projects moved forward.
- Preleasing increased to 37.6% in Q4, its highest level since Q2 2021. This indicates that tenant commitments are increasingly driving development projects.
- Space under construction rose in 25 markets quarter-over-quarter. Activity was mostly concentrated in the South, led by Dallas-Ft. Worth with 22.6 million sq. ft. and Houston with 21.5 million sq. ft.



Source: CBRE Research, Q4 2025.

## Figure 5 Construction starts rise modestly

- Construction starts increased to 44.8 million sq. ft. in Q4 from 42.9 million sq. ft. in Q3 but remained well-below historical peaks.
- Construction activity reflected more disciplined underwriting standards. Most new starts were either build-to-suit or conservatively underwritten speculative development.



Source: CBRE Research, Q4 2025.

## Figure 6 Net absorption & under construction rankings

- Dallas-Ft. Worth, Phoenix, Houston and Indianapolis were the top markets for annual absorption in 2025 as demand grew beyond coastal gateways.
- Dallas-Ft. Worth was also the top market for space under construction with 22.6 million sq. ft., 34.8% of which was preleased.
- Savannah remained the highest-growth market with annual net absorption equaling 5.2% of its existing inventory.

### YTD Net Absorption

Ranking	Market (Existing Inventory MSF)	MSF
1	Dallas-Ft. Worth (1024.2)	20.5
2	Phoenix (447.0)	15.8
3	Houston (613.9)	13.6
4	Indianapolis (347.6)	11.2
5	Columbus (305.1)	10.0
6	Charlotte (308.3)	9.5
7	Atlanta (762.9)	9.0
8	Savannah (159.2)	8.3
9	Greenville (247.8)	7.0
10	Kansas City (287.0)	6.1

### Under Construction

Ranking	Market (% Preleased)	MSF
1	Dallas-Ft. Worth (34.8%)	22.6
2	Houston (16.9%)	21.5
3	Chicago (55.9%)	12.6
4	Pennsylvania/I-78/81 Corridor (30.3%)	12.4
5	Phoenix (37.0%)	9.8
6	Atlanta (21.2%)	7.6
7	Louisville (31.6%)	7.4
8	Los Angeles (49.7%)	6.2
9	Central New Jersey (4.9%)	6.2
10	El Paso (16.3%)	6.0

### Growth Rate\*

Ranking	Market	Rate (%)
1	Savannah	5.2%
2	Reno	4.0%
3	Phoenix	3.5%
4	El Paso	3.3%
5	Columbus	3.3%
6	Indianapolis	3.2%
7	Charleston	3.1%
8	Charlotte	3.1%
9	Greenville	2.8%
10	Las Vegas	2.7%

Growth Rate = Annual net absorption as % of existing inventory.  
Source: CBRE Research, Q4 2025.

## Figure 7 3PLs & manufacturing drive bulk leasing

- Annual bulk leasing (100,000 sq. ft. or more) increased by 14.1% year-over-year. 3PLs accounted for 36.1% of total leasing activity in 2025 as occupiers prioritized outsourcing and network flexibility.
- Manufacturing recorded the largest year-over-year growth, supported by reshoring and advanced manufacturing investment.
- General retail & wholesale leasing declined by 18.7% year-over-year, the only industry sector to see reduced demand.

2025 Transactions 100,000 SF and Above

Occupier Type	SF Transacted	Market Share
Third-Party Logistics	217,606,181	36.1%
General Retail & Wholesale	118,300,010	19.6%
Manufacturing	66,213,645	11.0%
Food & Beverage	48,846,606	8.1%
Building Materials & Construction	45,688,383	7.6%
Automobiles, Tires & Parts	37,229,695	6.2%
E-Commerce Only	27,382,211	4.5%
Medical	22,340,822	3.7%
Undisclosed	19,678,379	3.3%
<b>Total</b>	<b>603,285,932</b>	<b>100%</b>

2024 Transactions 100,000 SF and Above

Occupier Type	SF Transacted	Market Share
Third-Party Logistics	178,002,221	33.7%
General Retail & Wholesale	145,527,754	27.0%
Food & Beverage	45,739,656	8.7%
Manufacturing	44,959,535	8.5%
Automobiles, Tires & Parts	33,473,662	6.3%
Building Materials & Construction	31,811,755	6.0%
E-Commerce Only	26,041,607	4.9%
Medical	15,275,605	2.9%
Undisclosed	10,760,187	2.0%
<b>Total</b>	<b>528,591,982</b>	<b>100%</b>

Source: CBRE Research, Q4 2025.

### Figure 8 Consumer & labor softness create near-term caution

- Consumer sentiment fell to 52.9 in December, a slight improvement from the November reading of 51.
- The unemployment rate rose by 20 bps to 4.5% in Q4, making occupiers more cautious even as leasing activity remained strong.

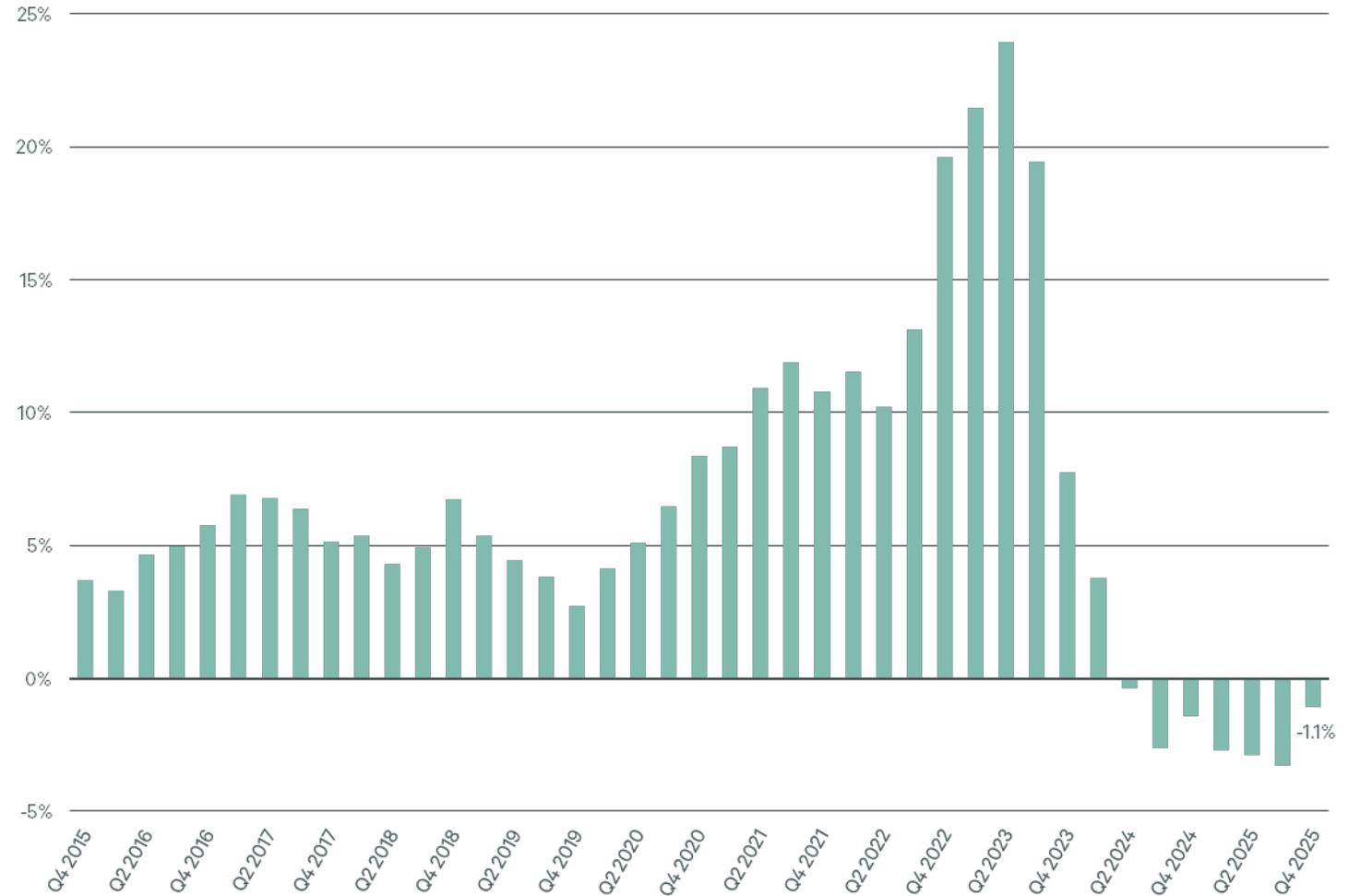


Note: Consumer Sentiment Index, Q3 1966=100.  
Source: University of Michigan, U.S. Bureau of Labor Statistics, Q4 2025.

## Figure 9 Asking rents stabilize after prolonged declines

- Average asking rent increased by 0.6% quarter-over-quarter to \$10.85 per sq. ft., marking the first quarterly increase after six quarterly declines.
- Rents declined by 1.1% year-over-year due to continued pressure from earlier speculative construction completions.
- As construction continues to taper and preleased space delivers, rent growth is expected to stabilize further in 2026.

Year-Over-Year Change



Source: CBRE Econometric Advisors, Q4 2025.

**Figure 10**  
**At-a-glance industrial market metrics**

Market	Size Rank	Q4 2025					
		Vacancy Rate (%)	YTD Net Absorption (SF)	YTD Construction Completions (SF)	Under Construction (SF)	Preleased (%)**	NNN Asking Rate (\$)***
Baltimore	31	8.3	432,435	2,222,166	1,005,153	18.9	10.94
Boston	15	8.0	(2,227,737)	1,792,605	3,304,137	71.9	15.13
Central New Jersey	8	7.7	(850,676)	4,780,375	6,205,144	4.9	16.61
Charleston	52	12.9	2,896,991	3,294,685	880,288	-	8.41
Charlotte	17	7.5	9,450,266	5,432,659	4,207,645	18.0	8.29
Greensboro/Winston-Salem	45	7.7	2,897,194	2,232,939	1,750,852	42.7	6.44
Greenville	26	6.2	7,034,277	2,279,299	1,426,703	1.1	6.25
Hartford	55	7.3	(408,603)	250,320	-	0.0	7.32
Louisville	35	3.8	3,402,169	4,155,519	7,355,530	31.6	6.66
New York Outer Boroughs	37	7.0	(1,513,685)	1,114,266	1,521,393	36.6	28.20
Northern New Jersey	11	6.8	(1,115,189)	3,733,265	2,939,428	67.9	18.30
Northern Virginia	57	3.7	833,153	188,883	812,634	25.7	16.52
Pennsylvania/I-78/81 Corridor	7	8.6	(886,420)	8,935,578	12,380,970	30.3	9.09
Philadelphia	12	11.0	874,169	11,487,698	3,328,565	17.5	12.63
Pittsburgh	43	5.5	311,454	200,000	318,277	100.0	7.69
Raleigh-Durham	48	8.4	576,946	2,096,450	4,226,151	24.7	13.28
Suburban Maryland	53	6.9	830,960	2,005,687	1,402,501	5.0	14.49
<b>East</b>		<b>7.5</b>	<b>22,537,704</b>	<b>56,202,394</b>	<b>53,065,371</b>	<b>23.9</b>	<b>12.51</b>
Chicago	1	5.1	3,287,305	7,765,751	12,629,101	55.9	9.12
Cincinnati	21	5.8	2,360,358	2,256,539	1,664,245	98.5	6.20
Cleveland	27	4.0	(922,386)	1,043,000	-	0.0	5.52
Columbus	19	6.0	9,979,360	2,298,138	4,860,954	65.0	5.82
Des Moines	58	8.6	242,782	451,585	400,278	92.2	6.52
Detroit	10	3.4	756,916	965,250	1,842,566	89.2	7.85
Indianapolis	13	8.2	11,208,952	2,813,407	2,695,467	75.3	6.24
Kansas City	22	4.9	6,138,499	7,161,603	3,504,419	60.5	5.49
Milwaukee	16	4.8	4,947,564	2,959,721	2,256,914	35.9	5.70
Minneapolis-St. Paul	14	3.9	3,603,608	3,297,140	3,005,165	83.4	9.34
Omaha	54	1.9	1,409,569	640,475	1,127,460	65.2	7.63
St. Louis	30	6.4	(552,117)	945,235	3,145,891	88.3	5.48
<b>Midwest</b>		<b>5.3</b>	<b>42,460,410</b>	<b>32,597,844</b>	<b>37,132,460</b>	<b>74.2</b>	<b>7.27</b>

Source: CBRE Research, CBRE Econometric Advisors, Q4 2025.

\*Suburban Maryland and Northern Virginia represent Washington, D.C., area.

\*\*Represents percentage of preleased currently under construction.

\*\*\*NNN asking rates are displayed on a per sq. ft. and per annum basis.

Figure 10 (continued)  
At-a-glance industrial market metrics

		Q4 2025					
Market	Size Rank	Vacancy Rate (%)	YTD Net Absorption (SF)	YTD Construction Completions (SF)	Under Construction (SF)	Preleased (%)**	NNN Asking Rate (\$)***
Atlanta	4	8.6	9,040,690	9,916,120	7,561,137	21.2	7.54
Austin	49	20.4	2,374,502	9,641,216	3,823,180	0.0	14.22
Dallas-Ft. Worth	2	8.7	20,478,055	12,855,047	22,610,363	34.8	9.98
El Paso	56	10.4	2,638,594	3,757,271	5,982,014	16.3	9.37
Ft. Lauderdale	50	5.4	228,598	1,370,870	182,773	1.4	16.48
Houston	6	7.4	13,563,543	16,946,628	21,452,501	16.9	10.54
Jacksonville	44	11.0	391,581	6,729,791	781,983	55.4	8.71
Memphis	20	6.4	4,563,521	1,328,880	3,370,725	100.0	4.63
Miami	25	6.5	1,849,681	3,892,320	4,069,438	13.0	16.64
Nashville	28	4.2	3,263,461	3,542,393	3,410,314	15.9	10.30
Orlando	40	9.6	2,440,878	3,680,065	1,042,148	34.1	9.30
Palm Beach	59	7.6	385,301	777,381	764,989	64.0	14.93
San Antonio	41	10.9	1,455,575	3,556,050	2,819,626	67.5	8.61
Savannah	39	10.6	8,306,877	10,534,013	4,285,660	14.9	7.11
Tampa	38	7.3	559,915	3,631,386	3,496,892	52.1	10.71
<b>South</b>		<b>9.0</b>	<b>71,540,772</b>	<b>92,159,431</b>	<b>85,653,743</b>	<b>24.5</b>	<b>9.78</b>

Source: CBRE Research, CBRE Econometric Advisors, Q4 2025.

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Figure 10 (continued)  
At-a-glance industrial market metrics

Market	Size Rank	Q4 2025					NNN Asking Rate (\$)**
		Vacancy Rate (%)	YTD Net Absorption (SF)	YTD Construction Completions (SF)	Under Construction (SF)	Preleased (%)**	
Central Valley, CA	42	9.6	616,091	1,500,687	655,200	100.0	8.93
Denver	23	8.2	3,633,379	4,229,256	3,285,310	36.6	10.06
Inland Empire	5	7.4	4,693,343	11,524,609	2,389,031	28.1	13.35
Las Vegas	34	9.9	5,034,939	6,137,295	5,687,926	58.8	14.42
Los Angeles	3	5.4	(4,203,404)	5,427,816	6,230,932	49.7	14.64
Oakland	46	7.5	(1,465,689)	422,866	99,395	0.0	15.78
Orange County	24	4.9	(1,717,098)	1,921,281	1,392,593	67.1	19.32
Phoenix	9	11.0	15,775,887	15,716,852	9,820,516	37.0	12.52
Portland	29	7.2	373,263	2,939,835	3,499,464	13.4	11.84
Reno	47	10.9	4,770,842	3,783,739	-	0.0	9.79
Sacramento	32	5.4	(1,240,036)	758,097	1,371,410	88.0	9.93
Salt Lake City	36	7.1	1,857,876	2,476,660	2,849,478	43.6	9.56
San Diego	33	6.5	1,434,785	1,706,340	871,790	70.7	17.31
San Francisco Peninsula	62	5.9	(214,846)	-	-	0.0	25.32
Seattle	18	10.4	(49,696)	5,801,606	3,335,256	7.5	13.76
Silicon Valley	51	4.7	623,974	1,948,104	1,708,986	48.8	20.75
Tucson	61	7.8	(716,424)	45,900	330,093	7.3	10.71
Walnut Creek/I-680 Corridor	60	8.2	(1,106,478)	61,630.0	1,202,354	39.2	16.43
<b>West</b>		<b>7.7</b>	<b>28,100,708</b>	<b>66,402,573</b>	<b>44,729,734</b>	<b>41.8</b>	<b>13.66</b>
<b>U.S.</b>		<b>6.7</b>	<b>149.2M</b>	<b>281.9M</b>	<b>220.6 M</b>	<b>37.6</b>	<b>10.85</b>

Source: CBRE Research, CBRE Econometric Advisors, Q4 2025.

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