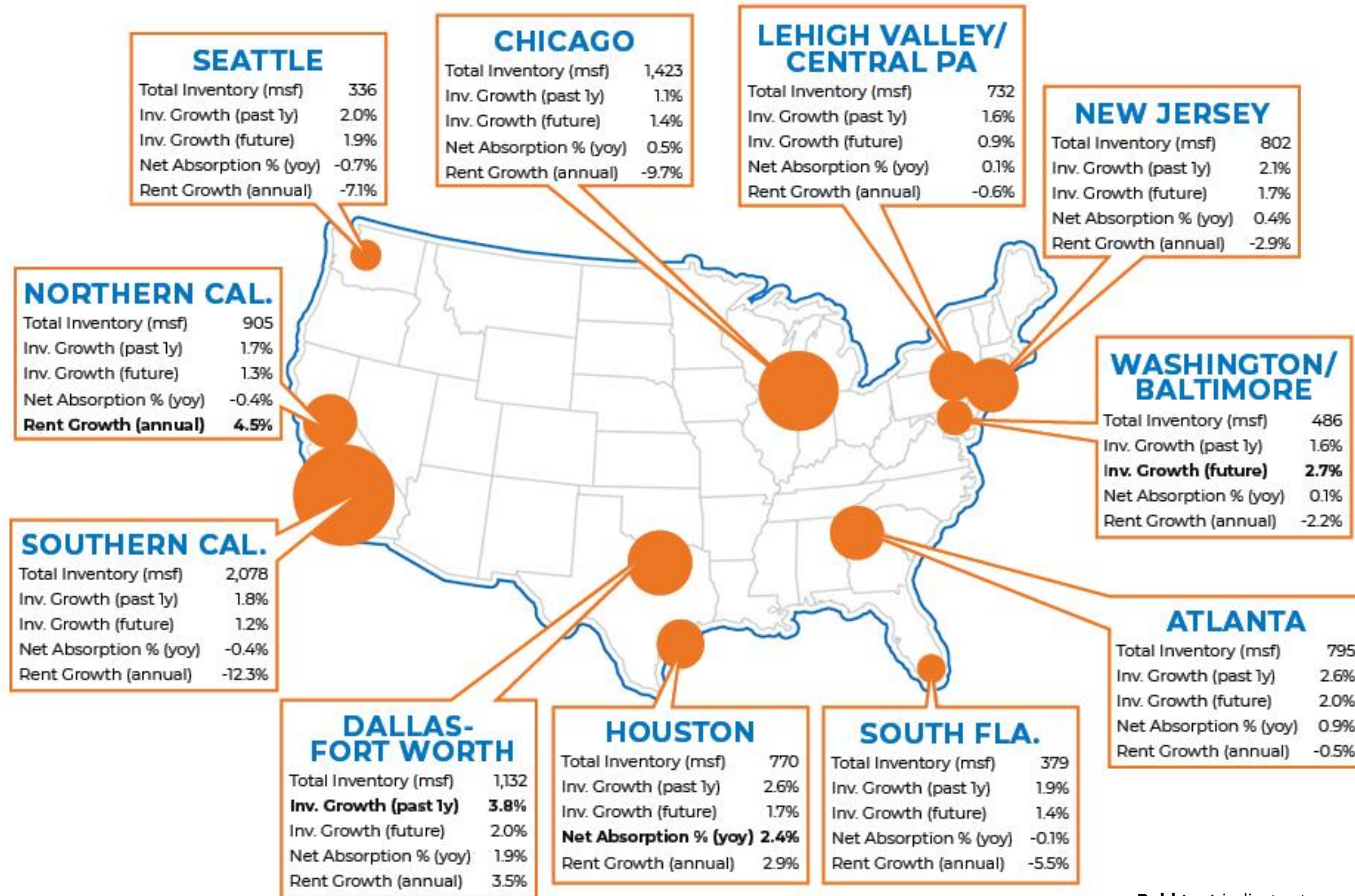


ELITE 11

U.S. Industrial Markets

YEAR-END 2024





[VIEW INTERACTIVE MAP](#)

Bold text indicates top-ranked indicator among Elite 11.



NATIONAL OVERVIEW

Optimism Remains Despite Slowdown

Despite a consistent slowdown in leasing activity throughout much of the U.S., 2024 marked the 15th straight year of expansion. Here's the big picture.

Growth Decelerates to 15-year Low

Occupancy continued higher for the 60th consecutive quarter, though growth was at its lowest level since Q2 2010. While a small majority of markets recorded positive net absorption during the quarter, 64% posted occupancy growth YoY. However, the overall vacancy rate increased by 20 basis points to 6.4%, the highest level since Q4 2013.

Development Pipeline Shrinking

Interest rates have contributed to declining construction, but that could change as we return to a more normalized environment. For now, markets are adjusting, and construction is anticipated to fall further short-term.

Reasons to Remain Optimistic

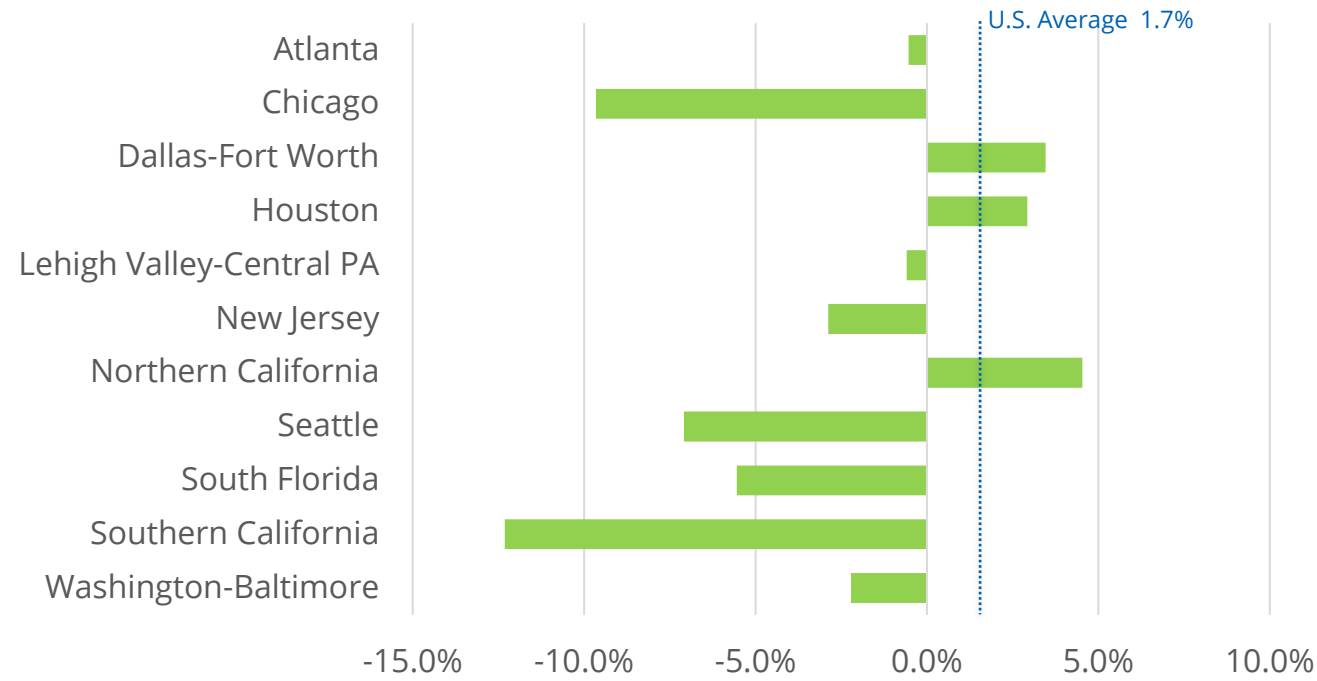
Activity is likely to pick up in core gateway markets as significant lease rollover is approaching; warehouse users will keep inventory high as consumers shift to goods over services, while tariffs and speed of delivery will accelerate the reshoring movement, all boosting industrial market growth.

ELITE 11 MARKET HIGHLIGHTS

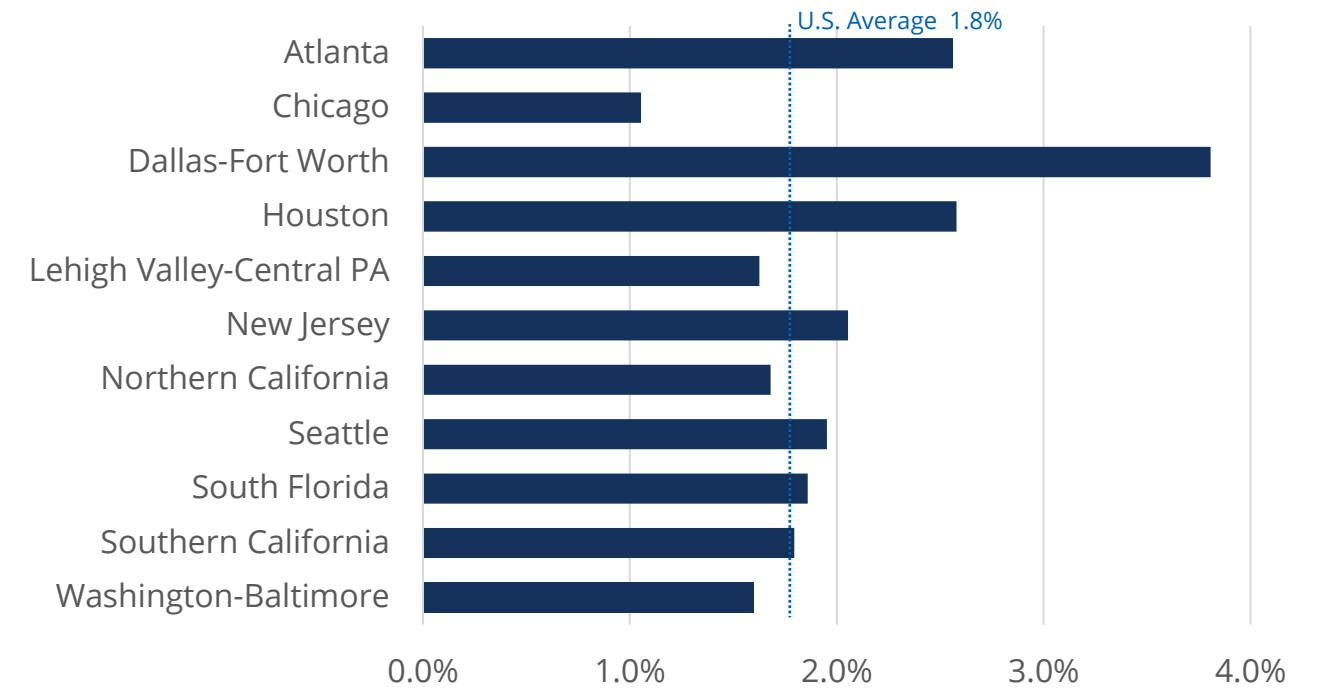
- Despite a decrease in new construction, **Dallas-Fort Worth** added inventory faster than all markets despite cooling rents.
- Strong warehouse/distribution leasing kept **Houston** as the Elite 11 leader for highest occupancy growth over the past 12 months.
- **Chicago** maintained a vacancy rate lower than the U.S. average due to consistent, though slowing, occupancy growth.
- **Northern California** posted the highest level of rent growth for 2024 despite three consecutive quarters of occupancy losses.
- Conversely, **Southern California** recorded the largest rent drop YoY while absorption was trending positive to close 2024.
- On the East Coast, strong net absorption during the 3rd and 4th quarters in **New Jersey** resulted in its 15th straight year of expansion.
- The **Washington-Baltimore region** maintained elevated future inventory growth, driven by continued strong demand and low vacancy in Northern Virginia.
- **Atlanta** continued to be a desirable market, posting growth in every quarter of 2024.
- Limited lease rollover pushed the **South Florida** market into a period of moderation, but a rebound in activity is anticipated.



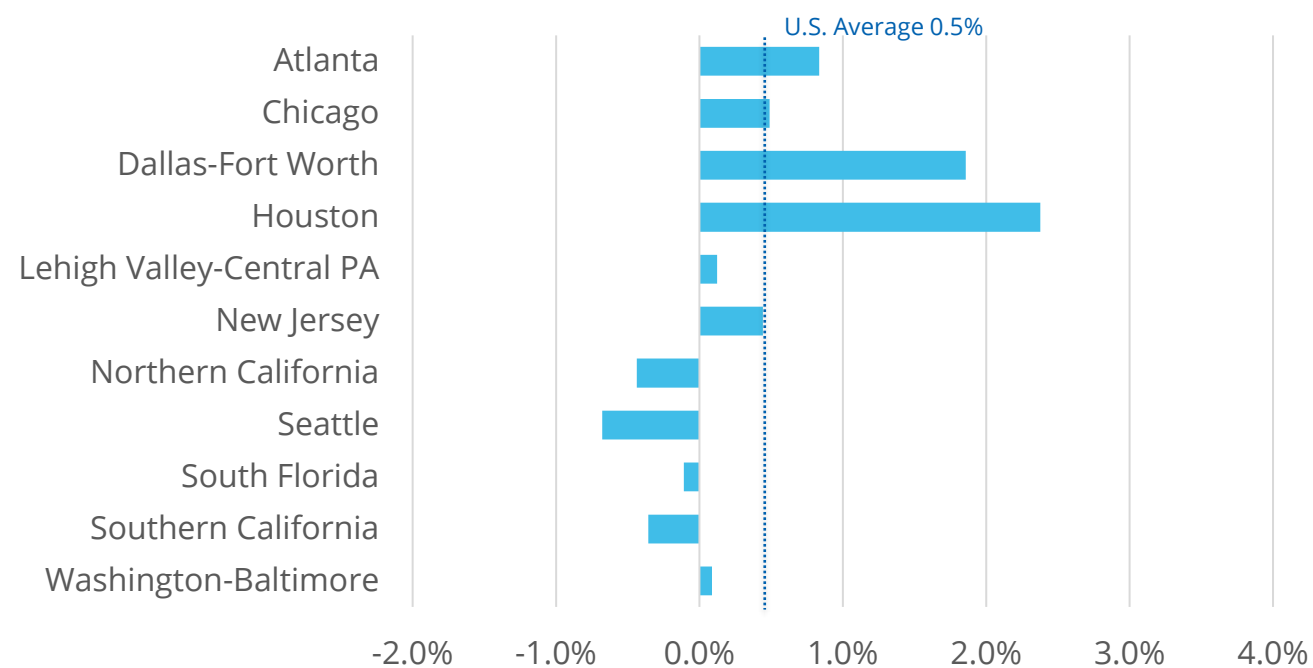
RENT GROWTH Year-over-Year



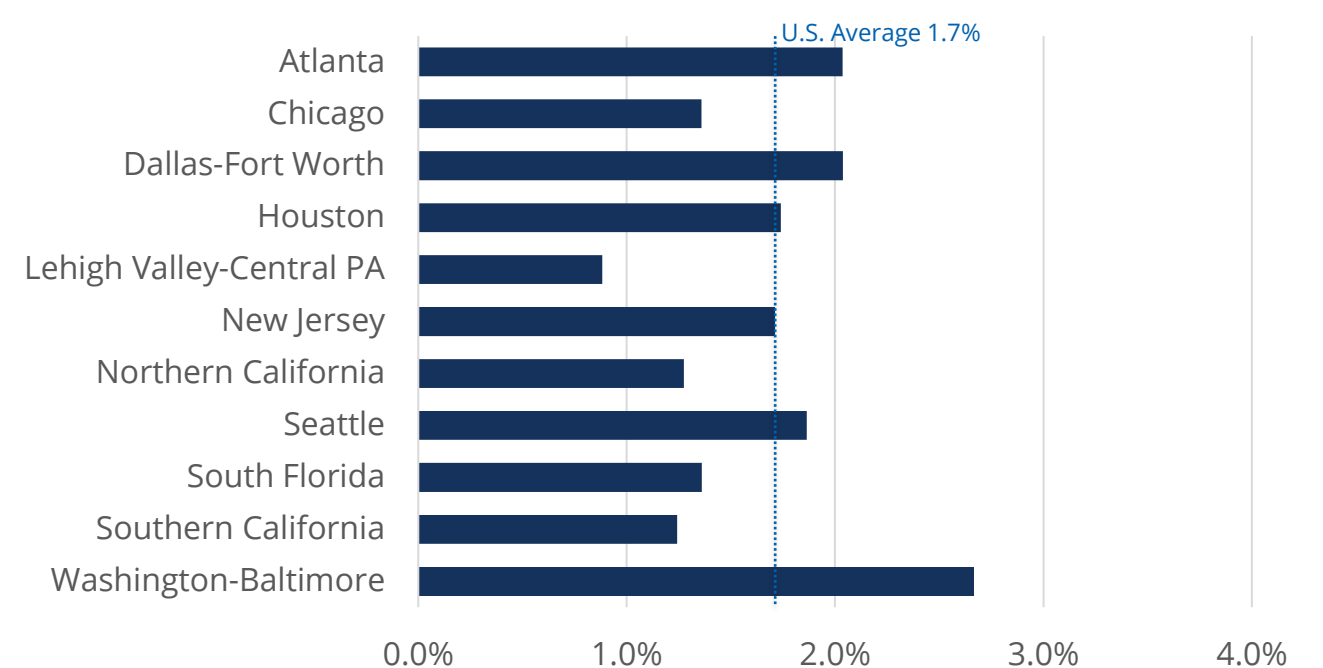
12-MONTH MARKET GROWTH Percentage of Inventory



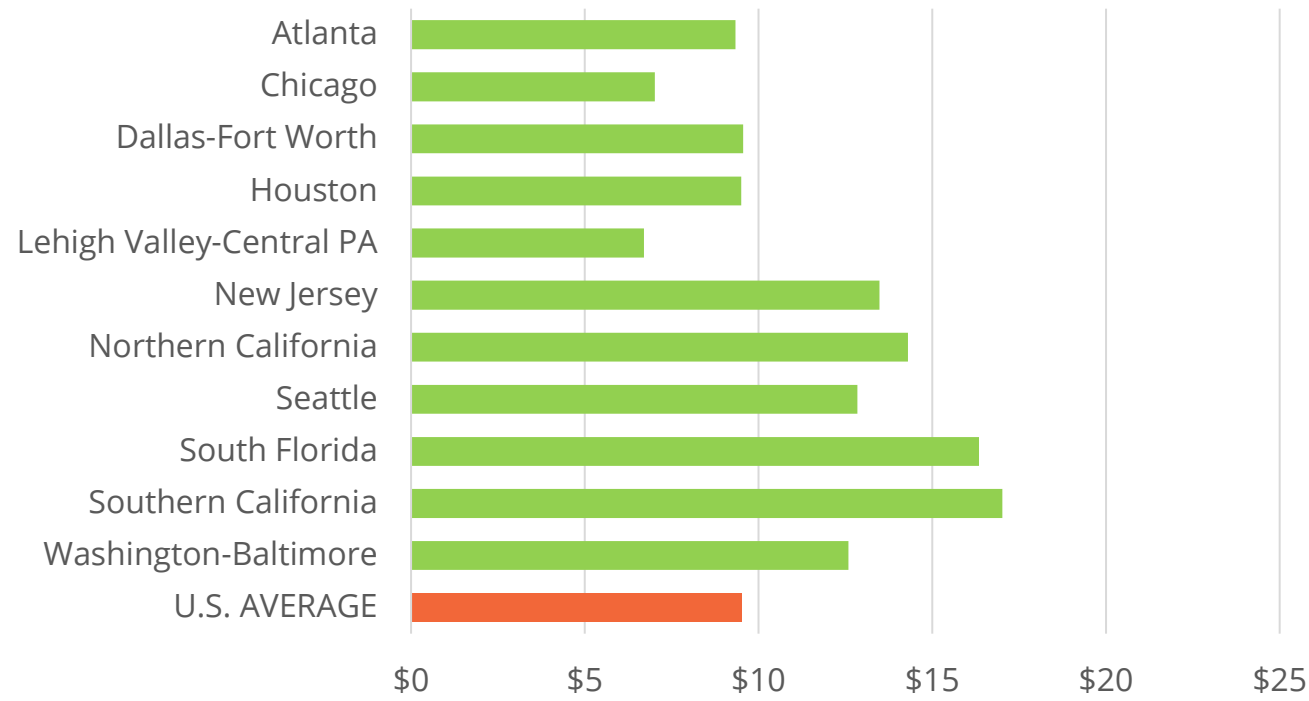
4-QUARTER NET ABSORPTION Percentage of Inventory



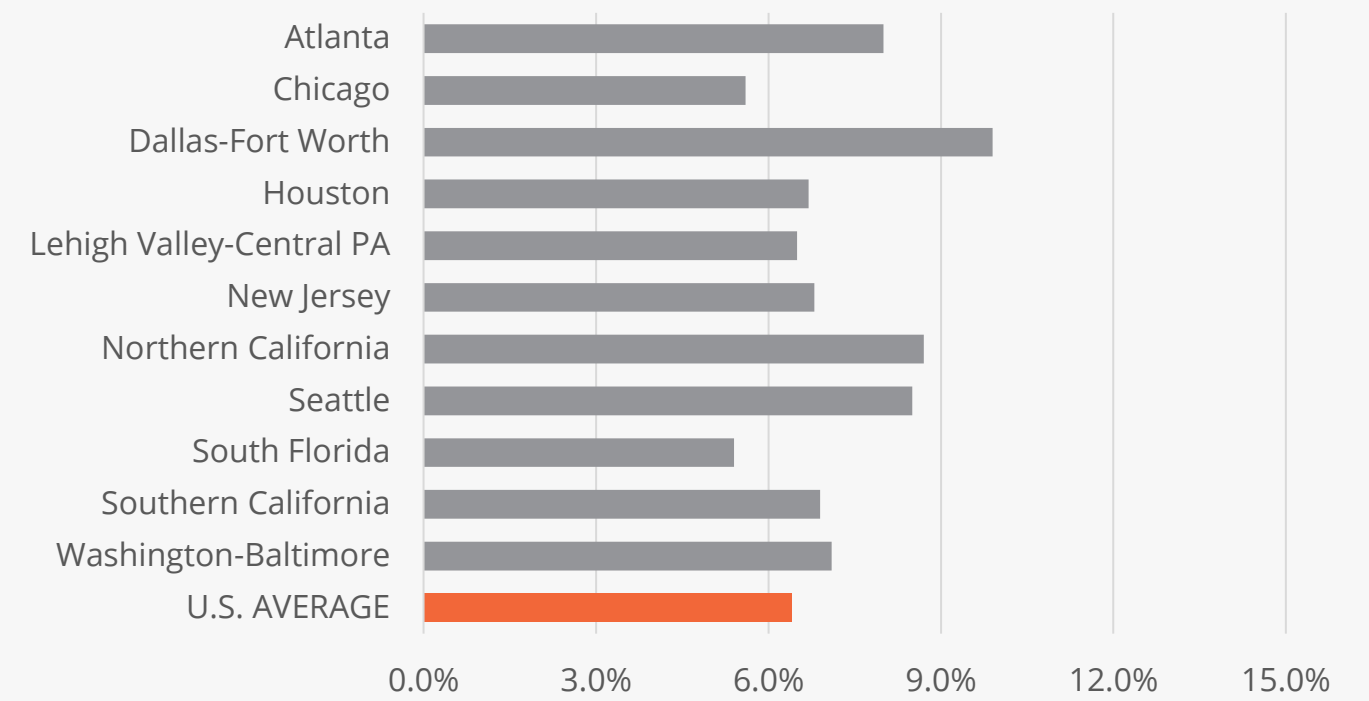
FUTURE DELIVERIES Percentage of Inventory



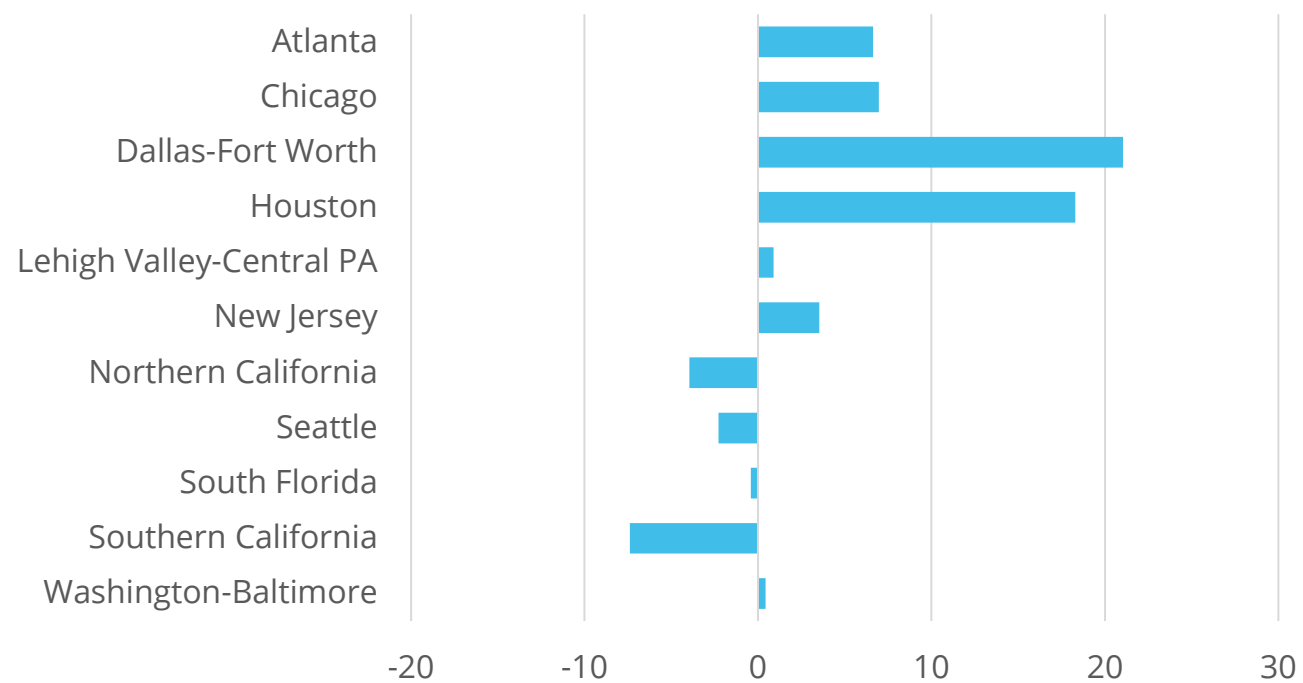
ASKING RENT PSF NNN



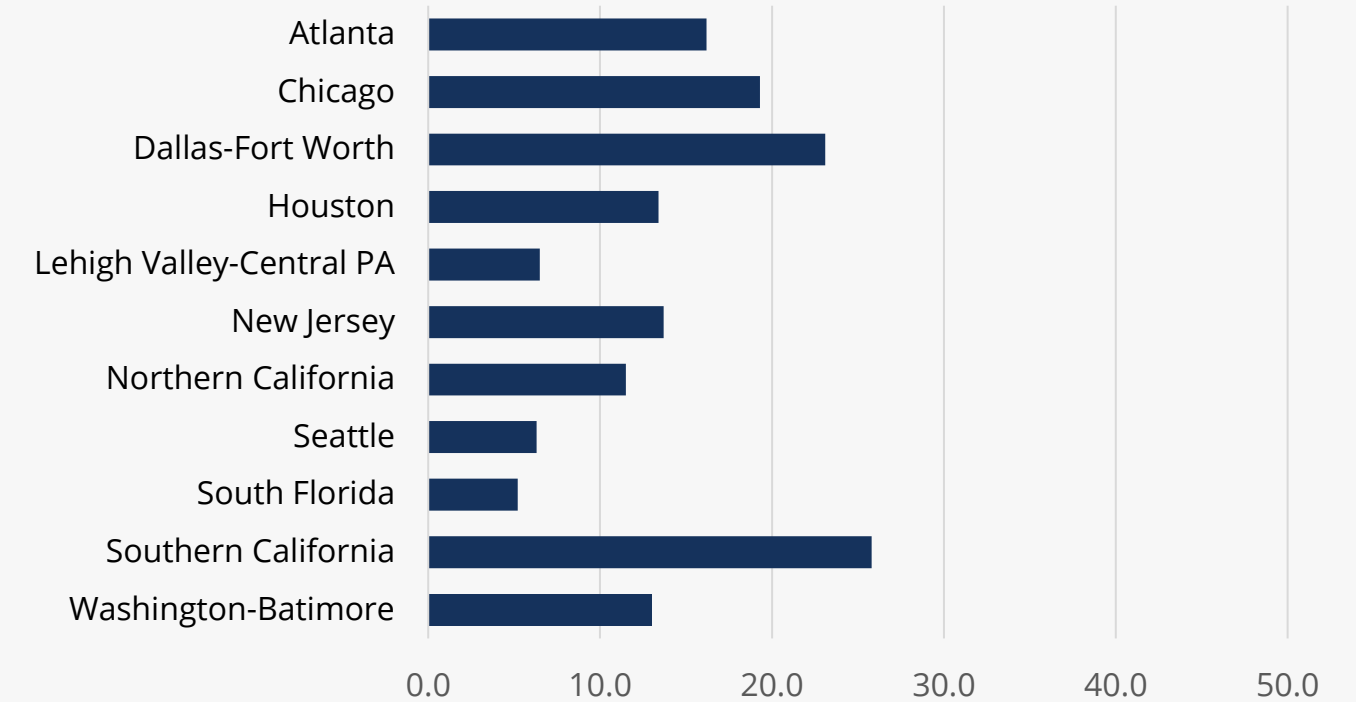
VACANCY RATE



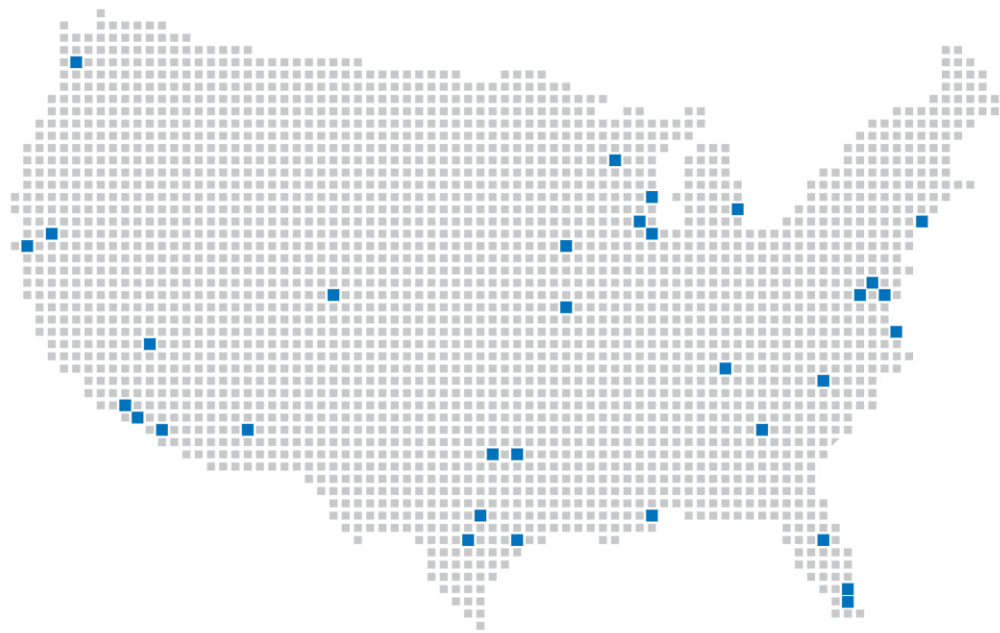
TRAILING 4-QUARTER NET ABSORPTION (MSF)



UNDER CONSTRUCTION (MSF)



TRANSWESTERN LOCATIONS



DEFINITION & METHODOLOGY

Transwestern tracks 11 core and growth markets across the U.S. that continue to lure global investors of industrial real estate. These Elite 11 regions are preferred locations for big-box distribution users and/or areas in high demand by logistics and manufacturing companies.

Growth indicators for the Elite 11 are based primarily on rent acceleration, space absorption and pace of development relative to the size of each market. The information in this report is a compilation of competitive industrial and flex properties located in select U.S. metropolitan areas. All rents are reported as triple net.

Lehigh Valley-Central PA includes the Lehigh Valley as well as Northeast and Central Pennsylvania

Northern California includes East Bay/Oakland, Sacramento, San Jose/Silicon Valley and Central Valley

Southern California includes the Inland Empire, Los Angeles, Orange County and San Diego

South Florida includes Miami and Broward County

Washington/Baltimore includes Baltimore, the District of Columbia, Northern Virginia and Suburban Maryland

For further analysis of industrial markets nationwide, view our quarterly [National Industrial Market Overview](#).

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award-winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and [@Transwestern](https://twitter.com/Transwestern).



TRANSWESTERN RESEARCH

In markets across the country, our research professionals produce sophisticated data analyses, local market reports and insight on national trends that helps clients make informed real estate decisions.

PRIMARY AUTHOR

Matthew Dolly
Research Director | Strategic Accounts
National Industrial Research Leader
matthew.dolly@transwestern.com
973.947.9244

FOR MORE INFORMATION

Elizabeth Norton
Sr. Managing Director | Research Services
elizabeth.norton@transwestern.com
202.775.7026

Copyright © 2025 Transwestern. All rights reserved. No part of this work may be reproduced or distributed to third parties without written permission of the copyright owner. The information contained in this report was gathered by Transwestern from CoStar and other primary and secondary sources believed to be reliable. Transwestern, however, makes no representation concerning the accuracy or completeness of such information and expressly disclaims any responsibility for any inaccuracy contained herein.