

Market Update



2B+

INVENTORY SF

Existing national base

40M+

UNDER CONSTRUCTION SF

New supply still working through

7.1%

VACANCY RATE

Up as projects deliver

\$16.96

AVG. ASKING RENT / SF

Still supported nationally

\$184

AVG. SALE PRICE / SF

Liquidity remains strong

1,500+

PROJECTS PROPOSED / U.C.

Pipeline needs watching

What to watch nationally



Demand still healthy

Business formation, population growth, and local tenant churn still support new product.



Supply normalizing

Markets with layered pipelines and similar product types will feel slower lease-up first.



Execution matters more

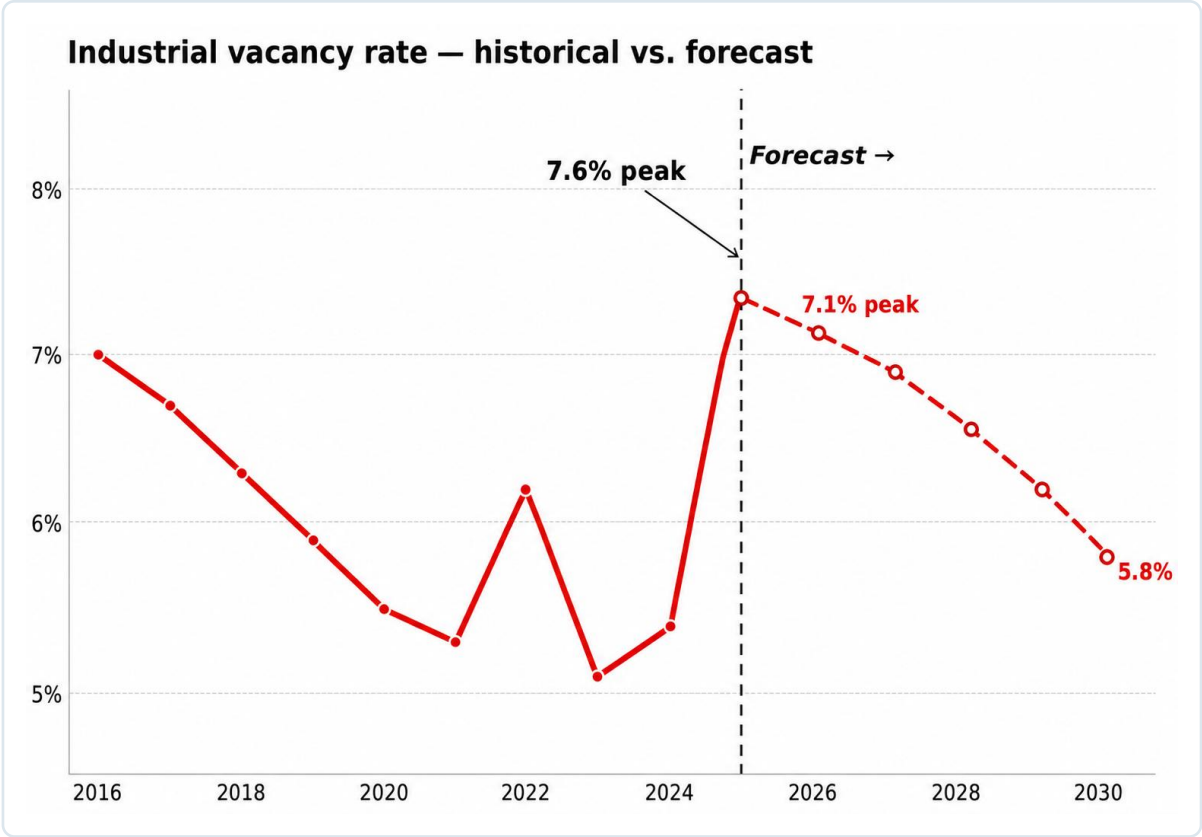
The best-located, best-designed projects keep winning while generic projects feel pressure.

Small-bay industrial remains a dominant investment segment across U.S. markets. Rental rates continue their upward climb, with average asking rents reaching **\$16.96 PSF**. Vacancy is beginning to plateau as record construction brings more immediately available space to the market. With efficient builds continuing to be delivered in record quantities, buyers are increasingly seeking higher-end small-bay properties that offer greater differentiation.

Key Takeaways

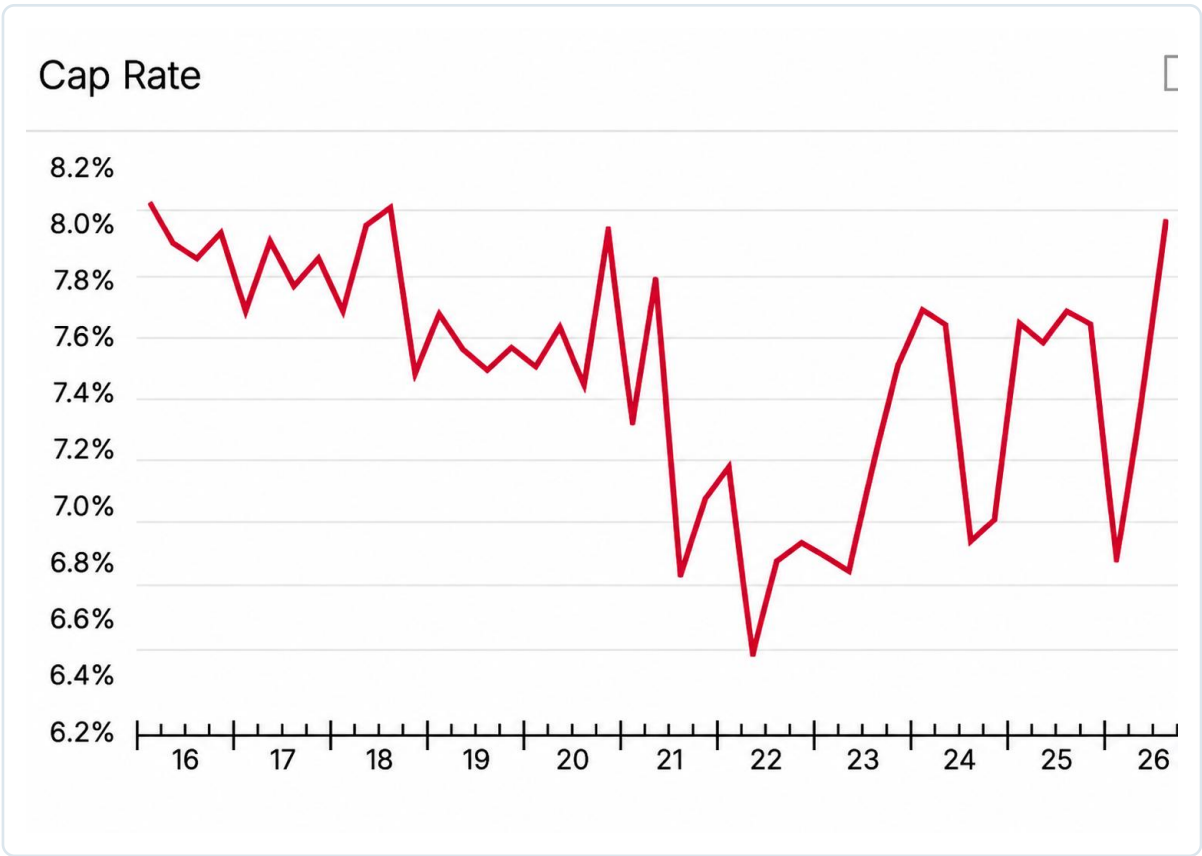
Vacancy is Plateauing

Due to a record amount of new construction across this U.S, this caused a spike in immediate vacancy.



Cap Rates on the Move

Cap Rates continue to move, depending on location, quality and value-add component.



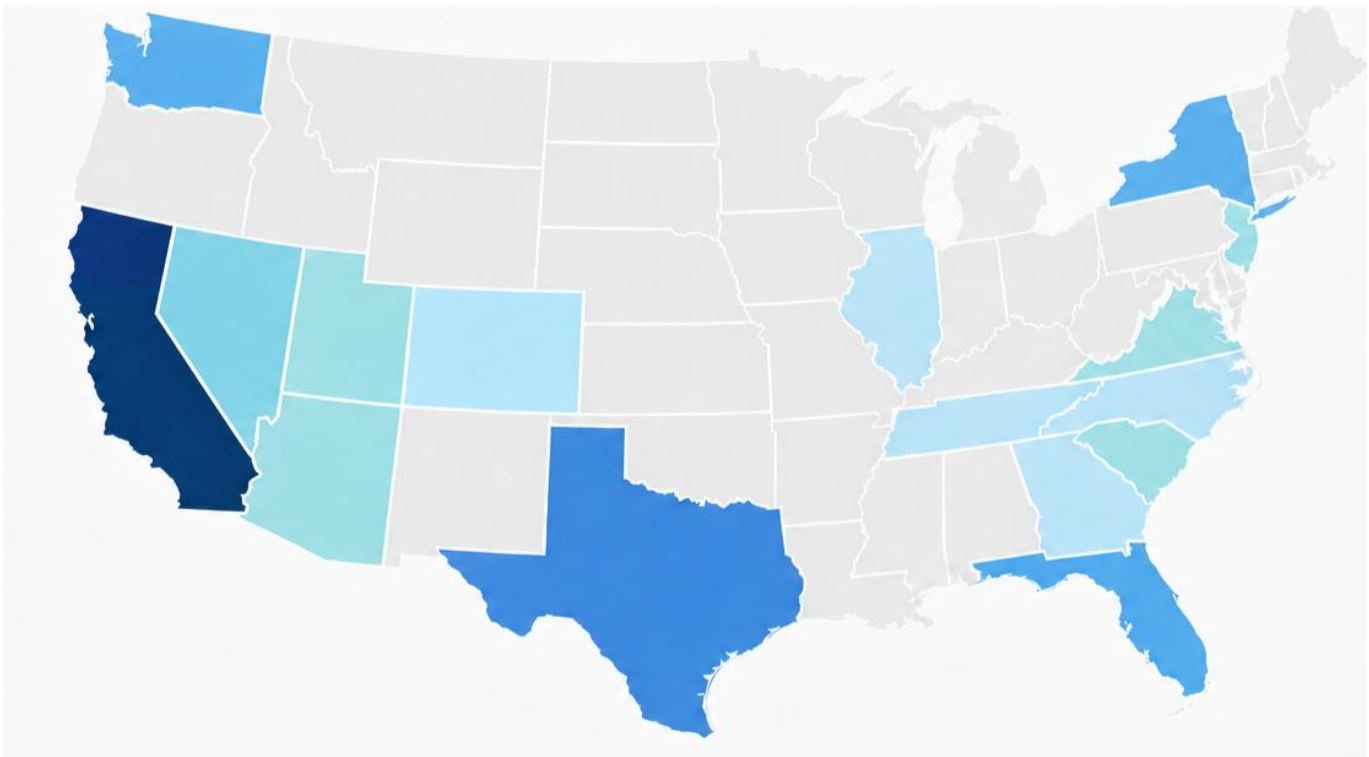


Flex Parks USA Lease-Up Playbook

Our most up to date leasing playbook to help you energize your marketing and create more activity. Click Link:

<https://flexbusinessparks.com/builder-model-page>

Most Active States



STATE	ASKING RATE PSF ANNUAL	INVENTORY S.F	VACANCY	SALES PRICE PSF	# OF PROPERTIES
1 California	\$24.60	223M	11.20%	\$350	9,782
2 Texas	\$14.79	140M	10.30%	\$161	7,291
3 Florida	\$19.68	94M	7.20%	\$205	4,733
4 North Carolina	\$17.32	52.8M	9.10%	\$165	2,698
5 Virginia	\$17.95	50.9M	6.70%	\$207	1,984
6 Georgia	\$15.87	43M	9.80%	\$160	2,369
7 New Jersey	\$17.78	40.5M	8.70%	\$217	1,520
8 Colorado	\$15.57	37M	13.10%	\$186	1,552
9 Illinois	\$14.87	33.4M	7.00%	\$123	1,359
10 Arizona	\$17.91	23M	7.80%	\$210	1,098
11 Tennessee	\$15.62	22.9M	7.70%	\$135	1,088
12 Washington	\$19.87	22.8M	10.90%	\$299	1,056
13 Utah	\$13.71	22.8M	6.70%	\$162	1,099
14 New York	\$23.26	21.5M	6.30%	\$295	1,174
15 South Carolina	\$15.08	20.3M	7.30%	\$126	1,471
16 Nevada	\$16.39	18.9M	6.00%	\$201	926

HOW TO SELL FOR THE MOST MONEY

Two things set your number: **what the asset actually is** — and **how the deal gets run**. Most owners leave money on the second one.

WHAT DRIVES THE NUMBER

- 01 **Rents at market.** Under-market leases are a discount the buyer keeps for years.
- 02 **Lease structure.** NNN, 3–4% annual bumps, staggered expirations.
- 03 **Tenant granularity.** Twenty small tenants de-risk the roll better than two big ones.
- 04 **Bay size & function.** 1,500–3,000 SF units, grade doors, 3-phase power, fenced yard.
- 05 **Clean books.** Lender-ready financials, estoppels and CAM recs on day one.

HOW THE DEAL GETS RUN

- 01 **Fix the story first.** Cure vacancy, deferred items and paperwork pre-launch.
- 02 **Price to start an auction,** not to test the water. Competition sets the top.
- 03 **Full exposure.** 1031 buyers, private capital, funds and local operators.
- 04 **Cross-asset buyer pool.** One of the strongest, most active buyer pools in the market.
- 05 **Kill the retrade.** Front-loaded diligence; trade on price *and* certainty of close.

Upcoming Events



Flex Connect

Flex Parks USA will be speaking at Flex Connect Houston.

September 30 - October 1

Flex Parks USA Networking & Happy Hour

Join us in Autin, TX in November, date TBD for a Flex Parks USA Networking Happy Hour.





Small Bay Industrial Tours

Join Cody Payne as he tours some of the coolest and most unique small bay industrial parks.

<https://flexbusinessparks.com/small-bay-tours>

Recently Sold



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