Next Move Group
We Are Jobs

USA Has Record Demand For More Industrial Space, You Can Win Projects If You Add Industrial Product Right Now Before Its Too Late

Right now, we are in one of the most unprecedented real estate markets of all time. There is record demand for industrial space with extremely minimal vacancies. The issue? Construction supply just can't keep up with demand. Here's what you need to know.

- Record demand and barely any vacancies across the United States are crushing the market. Unfortunately, in Q1, construction completion dropped by **27.8% due to labor and material shortages.**
- Current asking rent have increased to **3.7%** on average
- Asking for square footage is at a record average of **$8.94/SF**

Increasing and surging demand is coming from e-commerce and large occupiers. To be pro-active and get ahead of any future supply chain disasters, these companies are stocking as much inventory as possible.

Additionally, they are **pre-leasing** industrial space which is keeping rent on an upward trend – another reason why the industrial space backlog is so severe.

- In Q1, **62%** of 86 million SF of industrial construction was already preleased.
- Dallas-Fort Worth, Inland Empire, Atlanta and Pennsylvania currently contain **1/3** of the total new construction.

Material and labor shortages aren't the only threat to industrial construction. According to other companies and competitors, **Amazon,** is standing in everyone's way.

- In 2021, **60%** of online retail purchases in the U.S. were through Amazon
- Amazon-related construction accounted for the use of **1/3** of U.S. steel production in 2021

- By the end of 2022, Amazon will have nearly **460M** square feet of distribution warehouses.

Check out the original source report here!

About The Next Move Group:

The Next Move Group exists to create economic growth for small to mid-sized companies, communities, and nonprofit organizations.

Book an online meeting with our St. Louis office here or call us now at 1-800-764-3105.

*Disclaimer: the figures in this white paper are based on the article in the link above and are subject to change based on interpretation. The figures above are only a small portion of facts within the article, but they reflect those Next Move Group believe will interest most small to mid-sized companies, communities, and non-profit organizations.

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