

US Market Pulse

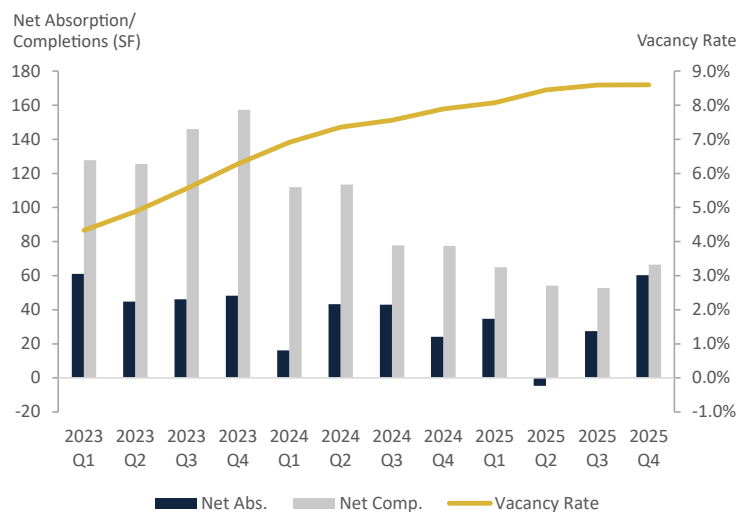
Amid a tempered economic backdrop, the logistics sector remained resilient in 2025, with demand gradually improving. US net absorption reached 60 million square feet in Q4 — its strongest quarter since early 2023 — as annual absorption rebounded after a brief dip in Q2. Vacancy held flat quarter-over-quarter for the first time after 13 consecutive increases, signaling a move toward equilibrium. Meanwhile, new deliveries fell more than 37% year-over-year, and space under construction declined to its lowest level since late 2016.

► Demand Concentrated in Modern Buildings

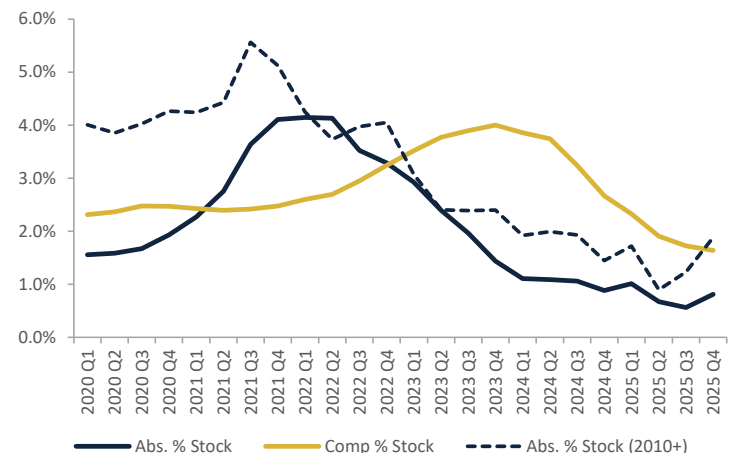
Demand for modern buildings continues to outpace the rest of the sector, with net absorption in buildings vintaged 2010 and newer increasing to 228 million square feet. The older segment of the market, constructed in or before 2009, has seen persistent negative net absorption as occupiers consolidate out of functionally obsolete space in favor of modern buildings that meet modern storage and distribution standards. Net absorption of modern stock as a share of total inventory has gradually increased, outpacing the rest of the US index and intersecting with annualized net completions as a share of total stock in 2025 Q4. Net demand for modern warehouses last exceeded new supply in 2022 Q4. Following the post-COVID hypergrowth period of 2021–2022, demand has moderated, creating favorable conditions for continued rental growth in high-quality assets.

Over the past year, the bifurcation in demand has driven stronger rent growth in modern buildings (3.6% average growth in 2025), while aging stock recorded negative rental momentum for the second consecutive year. Over the past three years, the rent growth premium has widened to more than 630 basis points, with a 3-year rent CAGR of 12.8% for modern stock. We expect these favorable dynamics to underpin continued leasing momentum and sustained rental growth for modern logistics assets in the near term.

Quarterly Net Absorption, Net Completions, Vacancy Rate (square feet in millions)



Trailing 12 Months U.S. Net Absorption and Net Completions Share of Stock



Source: CoStar as of 12/31/25.
Modern stock defined as buildings with a vintage of 2010 or younger.



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Endnotes + Disclosures

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