

#CRE INSIGHTS

# Demand For Smaller Industrial Space Is Surging

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**SMALLER INDUSTRIAL SPACE IS BECOMING SCARCE IN HIGH-TRAFFIC AREAS.** Small businesses and last-mile distributors have leased or purchased buildings at a high rate in recent memory. The trend has lasted for five years in most markets, underlined by historic vacancy and rental rates in 2018. Rental rates have increased more than one dollar per square foot in the past year in markets such as Richmond, Fredericksburg, and Charleston.

**VACANCY + RENTAL RATES FOR INDUSTRIAL BUILDINGS LESS THAN 40,000 SF**



CITY	VACANCY RATE	NNN ASKING RENT (\$/PSF)
<b>RICHMOND, VA</b>		
2017	5.1%	\$5.76
2018	3.4%	\$7.21
<b>HAMPTON ROADS, VA</b>		
2017	3.8%	\$6.30
2018	2.9%	\$6.44
<b>FREDERICKSBURG, VA</b>		
2017	5.5%	\$6.11
2018	4.1%	\$7.55
<b>GREENVILLE, SC</b>		
2017	4.0%	\$4.72
2018	3.4%	\$4.80
<b>CHARLESTON, SC</b>		
2017	2.0%	\$7.16
2018	1.9%	\$8.77

Data provided by Costar  
 Source: <https://www.nreionline.com/industrial/demand-smaller-industrial-buildings-surges-coastal-markets>

FOR MORE INFORMATION, PLEASE CONTACT:

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