



Industrial Rental and Listing Rates

By: Matthew K Adams

Beginning in 1970 Tom Keith and Associates, Inc. began surveying the industrial market in North Carolina with buildings over 40,000 square feet, which puts them in a national market category. Typically, buildings smaller than 40,000 square feet tend to be acquired by the local market; therefore, their price is determined more by the local market than the national market. The accompanying chart is based on the Fayetteville, NC local market.

The local market for industrial space for manufacturing, storage, or distribution has been weak for several years and has reached a low point in 2003, when NAFTA went into full effect in 2003. That is the same year that industrial building prices reached a low point. Since 2003, the market has improved slightly, but much of the industrial space is at a 50% vacancy rate. The accompanying chart shows industrial rental prices to be improving slightly. The smaller space (5,000-10,000 SF) tends to rent at a higher rate on

average of about \$5.00 per square foot, while the larger space (40,000-45,000 SF) tends to lease at an average of about \$3.25 per square foot. According to the firm's research the typical expenses per square foot for industrial properties is about \$0.50 per square foot for taxes, insurance, and maintenance.

The Industrial Rental and Listing Rates on the previous page are based on Industrial leases within Cumberland County. The beginning dates of the leases range from 2014-2018. The buildings range from 5,000 square feet to 45,000 square feet. The sources of data included Costar, Loopnet, broker's websites, tenants, public records, and Tom J Keith & Associates. See data below.

Existing Rental Rates	
Building Size	Rent/SF
24,953	\$4.95
15,627	\$4.85
36,608	\$3.25
20,000	\$3.00
49,850	\$2.58
48,000	\$2.50
47,705	\$3.40
21,120	\$1.70
24,120	\$1.50
45,000	\$3.18
40,000	\$5.25
42,500	\$3.25
16,000	\$1.88
22,000	\$2.25
20,000	\$3.90
15,550	\$5.00
15,075	\$3.98
14,200	\$4.80
13,777	\$3.54
5,935	\$8.00
9,600	\$7.50
9,000	\$4.80
7,000	\$2.57
6,664	\$7.20
5,500	\$4.25
5,000	\$5.40
4,800	\$4.00
4,000	\$4.25
30,000	\$5.25
5,500	\$4.36
5,564	\$4.09
93,544	\$3.47
50,000	\$3.00
50,000	\$3.15

Listings Rates	
Building Size	Rent/SF
47,524	\$4.95
7,200	\$2.66
14,500	\$5.00
37,078	\$4.50
35,847	\$3.66
11,294	\$4.00
18,339	\$4.00
28,000	\$4.00
17,205	\$3.00
12,000	\$5.30
12,000	\$6.50
4,800	\$4.00
5,000	\$5.00
5,500	\$4.00
8,472	\$5.96
8,400	\$4.00
8,000	\$6.30
7,320	\$3.73
6,130	\$6.17
5,935	\$8.00
70,000	\$6.00
64,000	\$3.50
8,800	\$3.82
32,576	\$4.03