

KBC INSIGHTS | CAPITAL MARKETS

# Buying Into 2026

Industrial sales activity and pricing are increasing leading into 2026.

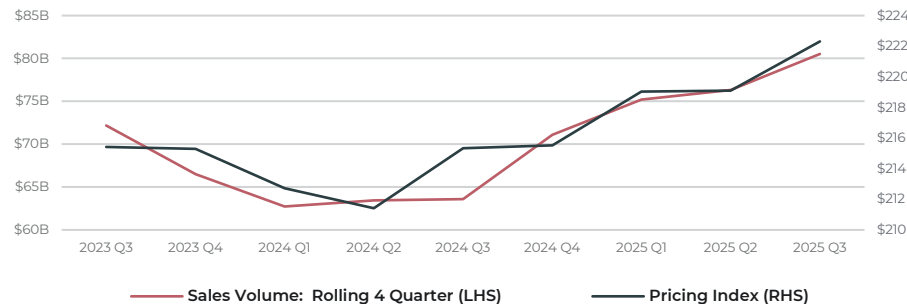
## IMPATIENT INVESTORS, MATURING DEBT, AND WILLING BANKERS

Multiple elements came together to increase industrial sales activity and a rebound in pricing.

1. Investors sitting on accumulating piles of dry powder ended 2024 and entered 2025 with a renewed determination to place capital.
2. Owners sitting on assets with maturing debt or seeking a capital event, ended 2024 and entered 2025 needing to recycle capital.
3. Add fewer loan officers tightening lending standards, and the end of 2024 was the beginning of increasing sales activity.
4. While downward price adjustments initially supported increased sales activity, prices are now rising in response to increased investor activity and a more favorable financing environment.
5. With industrial sales volume and pricing trending upward, capital market activity has positive momentum heading into 2026.
6. Sustaining this momentum in 2026 will depend on favorable financing, sustained economic growth, and improving property fundamentals.

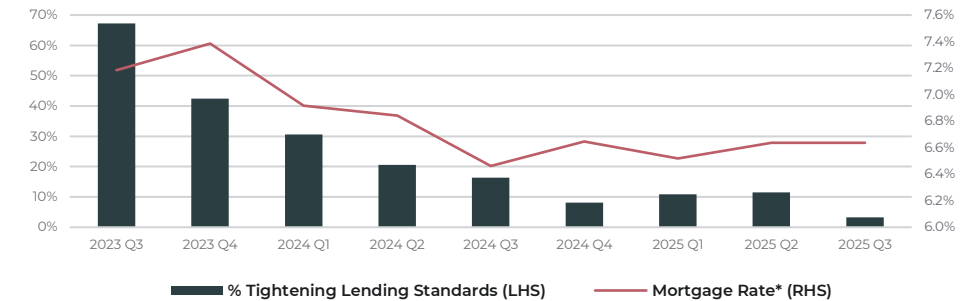
## WILL THE MOMENTUM BE MAINTAINED?

- » Single-asset, rolling four-quarter industrial sales volume is up 28% from Q1 2024's low.
- » Pricing has also accelerated since its Q2 2024 low, rising 5.2% after previously falling 17.5%.
- » Maintaining the current sales and pricing momentum is possible but not certain.
- » While the availability and cost of financing, property fundamentals, policy, and investor sentiment, will sustain or restrain the momentum, the economy underpins each of them.
- » 2026 economic growth will depend on multiple factors, especially companies: Do they accelerate their domestic investment, driving hiring and spending, or remain on pause?



## DEBT SUPPORTED ACCELERATION

- » Lenders will be a key to sustaining the current momentum into 2026.
- » There is a clear relationship between easing or tightening of lending standards and sales activity.
- » Approximately four quarters after decreases or increases in the percentage of lenders tightening lending standards, sales activity increases or decreases.
- » Fewer lenders tightening lending standards supported the recent increase in sales activity.
- » Coinciding with this was a decline in mortgage rates\* further supporting sales activity.
- » Fewer lenders tightening lending standards and lower mortgage rates would support sustaining the current momentum in industrial sales volume and prices into 2026.



\* Commercial property mortgage rates

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