
RESEARCH 2025

BUFFALO, NEW YORK INDUSTRIAL MARKET REPORT

Executive Summary

By year-end 2025, the Buffalo–Niagara industrial market encompassed a substantial 111 million square feet of space, underscoring the region’s role as a long-standing logistics and manufacturing hub. The market is anchored by 57.5 million square feet of logistics and distribution facilities, alongside 43.5 million square feet of manufacturing space and 10.0 million square feet of flex properties.



Market fundamentals remain notably tight. Overall industrial vacancy stood at 4.5 percent at the end of 2025, comparing favorably to the national average of 7.5 percent. Average asking rents reached \$8.56 per square foot (NNN), reflecting 2.1 percent year-over-year growth and emphasizing steady demand in a market with limited oversupply.

Development in Buffalo–Niagara has remained sparce. Since 2016, only 4.44 million square feet of industrial space has been delivered (4.0% of total inventory) driven largely by tenant expansions and relocations rather than speculative construction. Rising construction costs and lender requirements for pre-leasing have kept speculative development minimal, while nationally such projects accounted for roughly three-quarters of industrial space under construction in 2025. As a result, industrial properties delivered since 2016 are highly occupied, posting a vacancy rate of just 4.2 percent, with only 185,110 square feet currently unoccupied.

While industrial construction volumes declined nationwide in 2025, Buffalo–Niagara has emerged as a clear outlier. The region currently has 3.2 million square feet under construction, led by the 3.1 million square foot Amazon Robotics Fulfillment Center in Niagara Falls which remains a transformative project that signals growing confidence in the market’s long-term industrial strength.

Overall Industrial Highlights

↓ 4.5%

Vacancy Rate

↓ -522k

YTD Net Absorption (SF)

↑ 3.2M

Under Construction (SF)

↑ \$8.56

Overall Lease Rate

↑ 154K

Buffalo MSA Industrial Employment

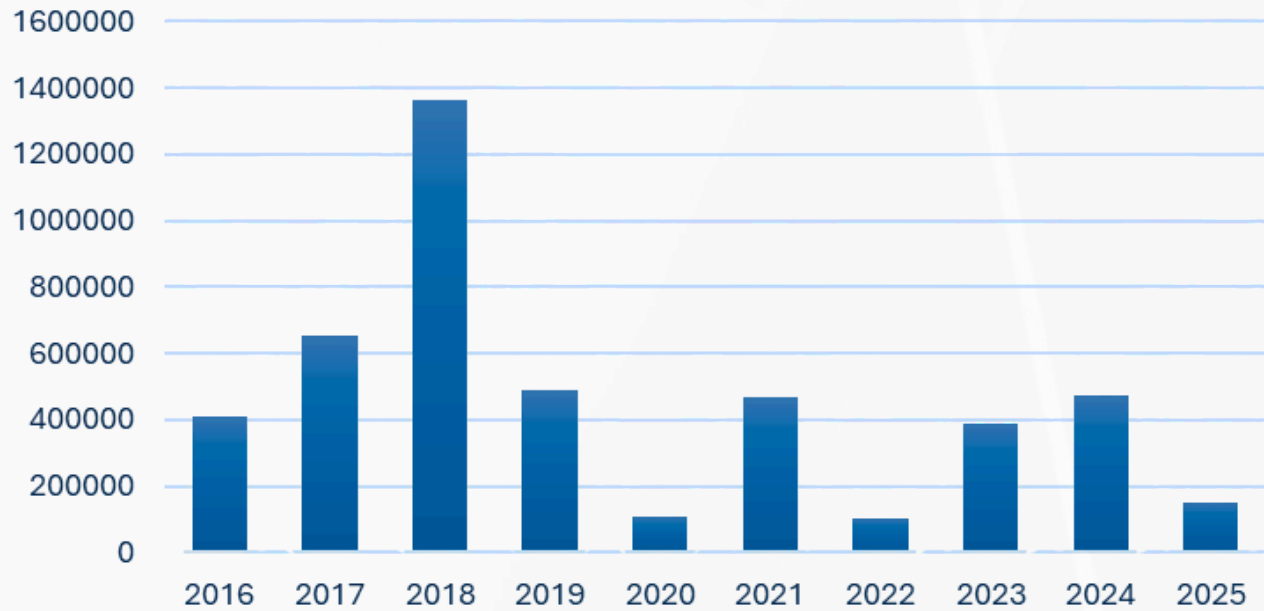
Market Highlights

A limited supply of modern space continues to constrain growth opportunities for warehouse and distribution users despite sustained demand. In response to tightening market conditions and the lack of quality space, average annual rents for logistics space have increased significantly in recent years. From an average rent of \$6.00 per square foot in 2020, rents for logistic space escalated 8.2 percent in 2021, 8.9 percent in 2022, 8.1 percent in 2023, and 5.8 percent in 2024. During 2025, the average rent for logistics space rose 2.5 percent to \$8.28 per square foot.

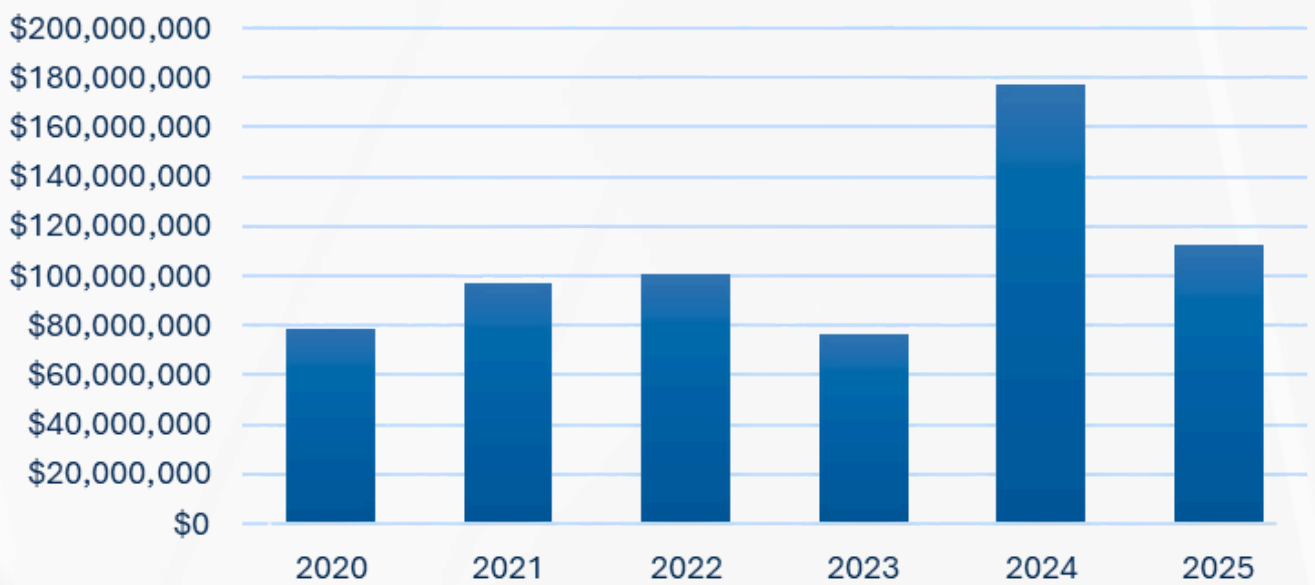
The Buffalo-Niagara region’s status as a major international trade corridor with the lucrative southern Ontario market is a key factor driving the industrial market, particularly for logistics operations. The desirability of the Buffalo-Niagara region as a logistics hub is supported by the recent completion of a \$51 million FedEx distribution facility and Amazon’s \$49 million fulfillment center, both within the Lake Erie Commerce Center in Hamburg. In September 2024, Amazon’s \$550 million, 3.1 million square foot state-of-the-art fulfillment center broke ground on a 111-acre site in Niagara County with completion expected in 2026.



Buffalo-Niagara New Industrial Supply



Buffalo-Niagara Industrial Building Sale Proceeds



Logistics Hub Driving Industrial Growth

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Buffalo-Niagara Industrial Vacancies



Sales activity has remained strong since 2020, reflecting sustained demand:

- 2020:** 82 transactions totaling \$78.8M
- 2021:** 123 transactions totaling \$97.2M
- 2022:** 116 transactions totaling \$100.9M
- 2023:** 84 transactions totaling \$76.4M
- 2024:** 81 transactions totaling \$176.9M
- 2025:** 132 transactions totaling \$112.8M

Although still limited, there are a few large-scale industrial parks with shovel-ready sites are ready for development across the Buffalo-Niagara region. Among them is the former Bethlehem Steel plant on Lake Erie’s shore in Lackawanna, now transformed into Renaissance Commerce Park. The Erie County Industrial Development Agency and its Industrial Land Development Corporation have redeveloped 240 acres, completing site remediation and installing key infrastructure. FAST NY Shovel Ready Certified, the park offers 10- to 60-acre parcels with rail, water, and highway access. Since 2013, it has attracted \$130 million in private investment, complemented by \$40 million in public infrastructure funding from state, local, and federal partners.

By the Numbers: MSA Industrial Market

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In 2020, 82 transactions closed totaling \$78.8 million and activity increased in 2021 with 123 sales totaling \$97.2 million and remained elevated in 2022, when 116 buildings traded hands for \$100.9 million. While volume dipped in 2023, the market still recorded 84 transactions totaling \$76.4 million, underscoring the sector’s resilience.

Momentum accelerated in 2024, as industrial sales spiked to 89 buildings totaling 3.2 million square feet and \$176.9 million in transaction volume. Strong sales velocity continued in 2025, with 132 buildings (representing 3.87 million square feet) selling for \$112.8 million. Across this period, most transactions involved owner-users, signaling long-term confidence from businesses investing directly in their operations. With three major border crossings and close proximity to Canada, the United States’ largest trading partner, the Buffalo–Niagara region functions as a critical cross-border gateway, facilitating approximately 15 percent of U.S.–Canada trade, or roughly \$90 billion annually.

As of fourth quarter 2025, the regional logistics market totaled 57.5 million square feet, with a vacancy rate of 5.0 percent and average rents of \$8.28 per square foot. Buildings of 100,000 square feet or more account for nearly half of the inventory, largely concentrated in the western portion of the market near key transportation infrastructure and border crossings. However, newer logistics facilities remain scarce. Space built since 2010 totals just 2.6 million square feet and is nearly fully occupied, with a vacancy rate of only 0.9 percent.



	Logistics	Manufacturing	Flex	Totals
Total Inventory (SF)	57,491,961	43,503,519	10,051,269	111,046,749
Vacant Space(SF)	2,897,103	1,483,485	653,516	5,034,104
Vacancy Rate	5.0%	3.4%	6.5%	4.5%
Net Absorption	-289,023	-292,968	59,660	-522,331
Average Asking Rent (SF)	\$8.28	\$7.74	\$13.80	\$8.56
New Inventory / Under Construction (SF)	80,000 / 3,234,000	0 / 0	7,560 / 0	87,560 / 3,234,000

Notable Transactions

Sale

Stark Tech, Inc.

Address: 91-93 Sawyer Avenue, Tonawanda
Size: 120,000 Square Feet
Type: Warehouse
Price: \$6,500,000
Details/Overview: \$54.17/SF



Pfannenberg USA

Address: 13595 Broadway, Alden
Size: 143,200 Square Feet
Type: Warehouse
Price: \$5,050,000
Details/Overview: \$35.27/SF



Magelian Technology

Address: 3500 Genesee Street, Buffalo
Size: 50,015 Square Feet
Type: Warehouse
Price: \$6,500,000
Details/Overview: \$129.96/SF



Lease

Powerwinx Metal Industries

Address: 395 Fillmore Avenue, Tonawanda
Size: 25,400 Square Feet
Type: Warehouse
Price: \$7.50/SF NNN
Details/Overview: 5-year lease term, 18' clear height, 2 dock doors



Ascendia USA Broad Reach

Address: 425 Cayuga Road, Cheektowaga
Size: 20,650 Square Feet
Type: Warehouse built in 2001
Price: \$7.95/SF NNN
Details/Overview: 5-year lease term, 24' clear height, 8 dock doors



Excello Marketing

Address: 500 Sonwil Drive, Cheektowaga
Size: 18,996 Square Feet
Type: Warehouse built in 2018
Price: \$9.25/SF NNN
Details/Overview: 24' clear height and 10 dock doors



About Newmark Ciminelli

Newmark Ciminelli is a strategic partnership formed in 2020 between Buffalo-based Ciminelli Real Estate Corporation and global real estate firm Newmark. Newmark Ciminelli leverages local market expertise and Ciminelli’s four decades of commercial real estate experience to deliver fully integrated brokerage services.

In addition, our alliance with Newmark creates an unmatched peer network made up of 18,800 professionals operating from approximately 500 offices on six continents, and was formed as a bold statement to the market, allowing Newmark Ciminelli to expand our capabilities to meet any client need.

For more on Newmark Ciminelli [click here](#).



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