

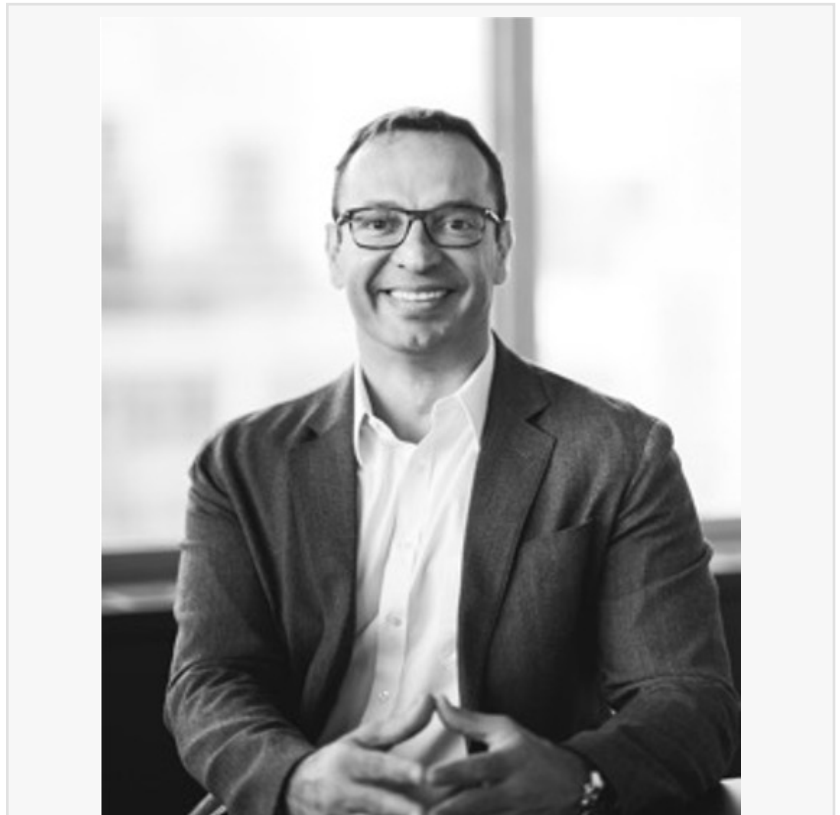
# Industrial Outdoor Storage: A Rising Star in the Industrial Asset Class

*IOS facilities gain interest due to high demand, but location, zoning, and pre-development timeline considerations are crucial for developers.*

SAN JUAN, PUERTO RICO, March 12, 2023 /EINPresswire.com/ -- Industrial Outdoor Storage (IOS), also known as Industrial Service Facilities (ISF), is emerging as a hot topic within the industrial real estate sector. With an increased demand for last-mile logistics facilities and an overall increase in industrial development, IOS is gaining attention from institutional developers and owners.


















These facilities typically consist of hard paved or compact-paved land parcels with a small on-site facility or security structure, offering low floor-to-area ratios (FAR) of less than 20% of the overall site. IOS facilities are diverse and range from trucking terminals and container yards to construction material and fleet vehicle storage, providing short-term leases and low-vacancy rates.

The appeal of IOS facilities is driven by supply and demand. The boom of primary industrial products, from light manufacturing to last-mile logistics, is driving the need for increased outdoor storage. Additionally, IOS is being used by developers as a way to secure hard-to-find real estate that may not be prime for development today but could be soon.



Ned Mahic-9606 Capital- Executive Chairman

### Industrial Outside Storage

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| <p><b>Use Examples</b></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Equipment Rental</b></p>  </div> <div style="width: 45%;"> <p><b>Bulk Material Yard</b></p>  </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <p><b>Container/Trailer Yard</b></p>  </div> <div style="width: 45%;"> <p><b>Truck/Fleet Center</b></p>  </div> </div> | <p><b>User Examples</b></p> <p>Logistics/SPL:   </p> <p> </p> <p>Construction:   </p> <p>Freight:   </p> <p>Fleet:  </p> |
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Examples of IOS sites and users

Location is a critical factor when considering IOS facilities. Best suited for infill locations with immediate access to logistics corridors, proximity to intermodal transportation options such as railways and airports can help alleviate ongoing supply-chain issues. Primary and secondary markets for this asset class are emerging in existing industrial/logistical hubs with robust intermodal transportation options such as Atlanta, Jacksonville, Charlotte, Chicago, Kansas City, Inland Empire, Las Vegas, and Columbus.

Understanding zoning restrictions and the pre-development timeline is crucial for IOS development. Having an underlying use by right is critical, as applying to rezone a site can be challenging, time-consuming, and costly. IOS projects are predominantly site work, and the timeframe to complete them is much quicker than standard industrial products.

The risks and challenges associated with IOS/ISF development are similar to standard industrial sites, with the primary risk being related to geotechnical characteristics, topography, and environmental issues. The offsite infrastructure associated with the development can also be a risk, requiring upgrades to adjacent streets and roads.

Engaging an asset manager who understands construction and owns and operates many IOS sites can take out the guesswork from a relatively unfamiliar asset class. Companies like 9606 Capital can help clients understand their specific sites and the risks within before significant time or dollars are out the window.

Sources:

"Existing Industrial Outdoor Storage Highly Sought" by Globest

<https://www.globest.com/2022/10/21/existing-industrial-outdoor-storage-highly-sought/?slreturn=20230210142420>

"Industrial Outdoor Storage: An Emerging Asset Class in Today's Dynamic Industrial Market" by NorthMarq

<https://welcome.northmarq.com/trends-insights/research-library/industrial-outdoor-storage-emerging-asset-class-todays-dynamic>

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