

Light Industrial

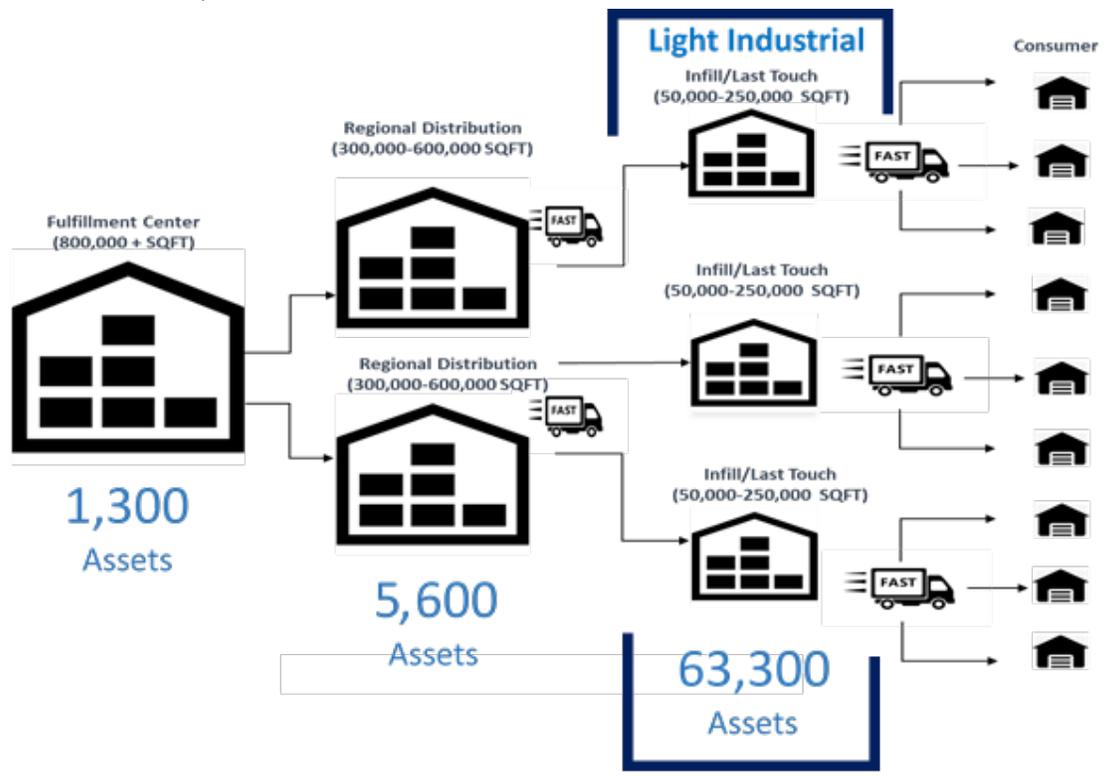
The Largest and Most Promising Segment of the Industrial Universe

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The supply chain continues to evolve. Large bay distribution hubs which drove efficiency gains through lower inventory-to-sales ratios have reached maturation. Now, distributors are focused on speed to the end consumer, which is driving demand for small bay warehouses close to population centers.

The new industrial revolution arguably started in 2000 with thousands of containers arriving at primarily West Coast ports filled with Chinese imports. Tenants, especially retailers, sought to cut inventory costs by creating hub and spoke fulfillment chains and demand surged for the million-plus fulfillment centers that anchored these chains. With the advent of online shopping, and the surge in Amazon and other ecommerce retailers, distributors were forced to innovate again, and by the middle of the new cycle the smaller and population proximate facilities gained prominence. The local-serving buildings, historically called light industrial and shallow bay, and more recently last mile and last touch, also represent the largest segment of the industrial warehouse market. Today there are more than 63,000 of them totaling nearly 6.5 billion square feet¹.

GID believes the latest evolution in the supply chain favoring light industrial assets is in its early stages. Further, the depth and breadth of this segment of the market presents deep opportunities for institutional ownership



Please contact industrialresearch@gid.com for more information

¹ CoStar Group