Industrial Outdoor Storage: A Maturing Asset Class

Aug 20, 2026

Categories:

Dirt and Dollars

Publications

Authors:

John F. Glass

The National Industrial Outdoor Storage Conference hosted by Bisnow in Jersey City, New Jersey, was held on August 6, 2026. Discussions at the conference underscored just how significantly industrial outdoor storage (IOS) has evolved over the past several years, transitioning from a niche investment strategy into an increasingly institutional asset class with national reach.

Established sponsors, institutional investors, and lenders are entering the IOS market in greater numbers, while increased competition for high-quality IOS assets has contributed to spread compression and greater market sophistication.

Despite this evolution, IOS remains an asset class in which property-specific considerations are critical. Zoning and land use regulations continue to be among the most important factors affecting value and marketability. Restrictions on permitted uses, truck traffic, site circulation, screening requirements, and the scope of outdoor storage activities can materially impact both operational flexibility and tenant demand. As a result, thorough legal and zoning diligence remains essential.

Another notable development is the emergence of “E-IOS,” reflecting the growing electrification of commercial vehicle fleets. As logistics operators and other users transition toward electric vehicles, access to adequate power infrastructure, coupled with the ability to expand electrical capacity, is becoming an increasingly important component of site selection, lease negotiations, and property underwriting. Infrastructure readiness may soon become as important as traditional location and transportation considerations.

Sponsor and tenant quality also remain key underwriting criteria for lenders. The difference today is that the market has matured sufficiently to support a growing roster of experienced IOS sponsors with demonstrated track records, making the asset class increasingly attractive to institutional capital providers.

The principal takeaway from the National Industrial Outdoor Storage Conference was clear: IOS is no longer an emerging niche within the industrial sector. It is rapidly becoming a mainstream institutional asset class. At the same time, the legal, zoning, entitlement, and infrastructure issues that drive value in IOS transactions remain highly nuanced, reinforcing the importance of experienced legal counsel in acquisitions, financings, leasing, and development matters.

For IOS investors and property owners, the opportunity is significant but not without risk. If you are contemplating an IOS acquisition, repositioning an existing property, or assessing how electrification and other infrastructure needs may affect asset value, please contact the author or any member of the firm's Real Estate and Finance Industry teams for assistance. You can also check out additional IOS coverage below:

- Five Provisions to Consider When Negotiating IOS Leases
- IOS and Zoning: Seven Common Pitfalls for Developers to Avoid

---

Dirt and Dollars

From industrial and logistics facilities to mixed-use projects, office buildings, hospitality ventures, and ground-up developments, our Dirt and Dollars blog covers the deals, strategies, and regulatory considerations that keep these projects moving forward.

Visit Blog