



Yardi Matrix

# National Industrial Report

---

September 2025





# Outdoor Storage Market Matures

---

- Industrial outdoor storage has steadily grown in prominence over the past few years, amid shifting logistics and supply-chain dynamics. Its flexibility and low cost make it attractive for occupiers looking to fill gaps and improve operational efficiency; that in turn is driving institutional capital's interest in the segment.
- IOS facilities encompass a wide array of uses, from overflow container storage and vehicle parking to infill locations supporting last-mile deliveries and bulk material yards. And demand continues to grow among a variety of tenants. Supply of IOS, however, is limited due to zoning constraints and because the most well-located IOS properties are targets for repurposing into higher-value use types. This imbalance between supply and demand has led to surging rents. Newmark recently reported rent gains of 123% since 2020, with the highest gains in inland logistics hubs Memphis, Atlanta and Phoenix.
- IOS ownership is largely fragmented, with the majority of properties privately held. Pricing is not yet standardized and many lenders are unfamiliar with the segment. Yet institutional capital is becoming more active, attracted to its increasing demand, supply constraints and low overhead. Last year, an investment survey from PwC estimated IOS to be a \$200 billion market, with \$1.7 billion in institutional capital raised in the year preceding the survey.
- In 2025, institutional IOS activity has swiftly ramped up. Peakstone Realty Trust marked its entrance into the sector with the purchase of a 51-asset portfolio across 14 states valued at \$490 million from Alterra IOS. Barings and Brennan Investment Group formed a joint venture with an acquisition target of \$150 million, with the potential to go even higher. Realterm purchased a 13-property IOS truck terminal portfolio from Brookfield for \$277 million.
- In coming years, we anticipate the sector will continue its transition from a niche product type to an institutionalized asset class, with pricing becoming more standardized and lenders more comfortable. Supply will remain constrained since IOS development typically faces significant pushback from cities and residents. Over the long term, we expect demand growth to come from the storage of emerging technologies like aerial drone delivery and autonomous trucks.

