

Industrial Real Estate in the New COVID-19 World

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The long-term effects of the COVID-19 global pandemic should boost demand for industrial and logistics focused real estate in Florida and throughout the country in large part because of the following reasons:

1. **Acceleration of E-Commerce:** Even as the country slowly re-opens, many believe that consumer behavior and the proclivity towards e-commerce will persist, causing the need for more warehouses in last-mile delivery zones.
2. **Supply Chain Diversification:** There is an increase in demand for coastal and inland port locations due to the disruption of trade with China and other geopolitical factors.
3. **Inventory Controls:** Companies and suppliers may increase their inventory levels in the long term to ensure they are adequately able to meet consumer demand, therefore increasing demand for warehouse space.

Keep an eye on the increase in demand for cold storage facilities as well. As more people grow accustomed to the ease of ordering groceries online and eating home on a more regular basis, there will undoubtedly be a continued rise in demand for cold storage facilities.

Industrial real estate was generally strong before the pandemic, but its continued success is counterbalanced by the problems that will persist, such as warehouse distribution to hotels and restaurants. Notwithstanding, the industrial sector will continue to be resilient and likely outperform other asset classes in the wake of the COVID-19 fallout.