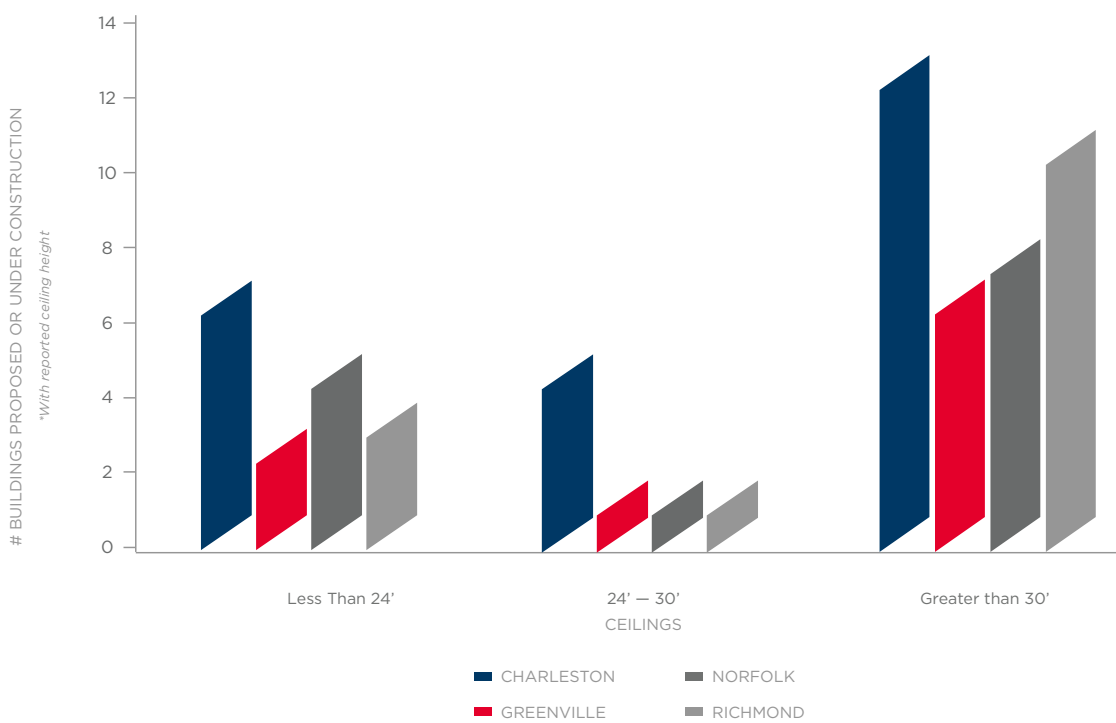


#CREINSIGHTS

Industrial Buildings Are Soaring To New Heights

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Multi-story warehouses have started appearing in larger markets and average clear heights in new construction are increasing to accommodate warehouse efficiency.



WHAT IS CLEAR HEIGHT?

Clear height is defined as the usable height to which a tenant can store its product on racking.

Since the 1970's, industrial buildings featured 18' to 24' in clear ceiling height.

NEW CONSTRUCTION COMMONLY HAS A MINIMUM OF 28' CLEAR CEILING HEIGHTS in order to adapt and appeal to a wider tenant pool. Most newly constructed distribution buildings have 32' clear or greater to attract international tenants and institutional investors.



WHY DOES NEW CONSTRUCTION REQUIRE THE GREATER HEIGHT?

More cubic space allows more efficient means of operation. Logistics operators plan for pallet heights of 56, 64, or 72 inches, with the most common pallet size being 64 inches. 32-foot clear heights can rack between four and six pallets. Users can **INCREASE CAPACITY BY 10 TO 25 PERCENT** by increasing clear heights to 36'. Column spacing must also increase in order to accommodate larger forklifts in taller buildings. Column spacing of 56' x 50' is typical for 36' clear heights.

Developers are more willing to develop at a higher cost to obtain top resale value. The added height costs approximately \$1.25 per square foot more when comparing the construction costs of a 36' to a 28' clear height building, largely due to the structural, slab, and sprinkler improvements required for a taller building.

FOR MORE INFORMATION, PLEASE CONTACT:

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