

## Investors Are Warming Up to Cold Storage Investment

As investors find opportunity in cold storage investment, cap rates are pushing closer to high-quality warehouses.

By **Kelsi Maree Borland** | January 07, 2020 at 04:00 AM



Investors are warming up to cold storage asset investment, and as a result, cap rates are pushing closer to that of high-quality warehouses, according to a report from **CBRE**. Los Angeles is one of the top markets for cold storage, with a 4% vacancy rate, among the lowest in the country. As a result of the opportunities in the market, cold storage has seen an influx of new capital and investors.

“The draw of strong demographics driving food sales, food safety demands putting additional focus on the cold chain and scarcity of available cold storage inventory due to the lack of speculative development has made investors more comfortable with cold storage investment,” **Art Rasmussen**, SVP at CBRE, tells GlobeSt.com. “Wall Street is warming up to investment in the food sector, reducing the perceived risk premium and tightening of cap rates.”

<https://www.globest.com/2020/01/07/investors-are-warming-up-to-cold-storage-investment/>