

BKM Capital Partners Releases New White Paper Highlighting Multi-Tenant Light Industrial Sector Performance

The report affirms the sector's continued resilience even in the face of recession.



Newport Beach, California Sep 9, 2024 ([IssueWire.com](https://www.IssueWire.com)) - BKM Capital Partners, a vertically integrated institutional fund manager, has released a new white paper, “Multi-Tenant Light Industrial: Maintaining Resilience in Turbulent Economies.” The report provides a comprehensive analysis of the sector's ability to withstand economic disruptions and outlines the key factors driving its long-term resilience and growth potential.

The white paper delves into the sector's performance through significant economic downturns, including the Global Financial Crisis (GFC), the COVID-19 pandemic, and the recent period of rapid interest rate hikes from 2022 to 2023. It examines how multi-tenant light industrial properties, with their diverse tenant base and flexible lease structures, have demonstrated remarkable stability in times of uncertainty.

“Our latest research reaffirms what we have experienced first-hand for over a decade—multi-tenant light industrial is a remarkably resilient asset class,” says Brian Malliet, BKM's Founder, Chief Executive Officer, and Chief Investment Officer. “Despite various economic challenges, this sector continues to demonstrate exceptional performance due to its fundamental strengths, including limited supply, high demand, and the ability to adapt quickly to changing market conditions. This paper underscores why we remain bullish on the long-term outlook for multi-tenant light industrial properties.”

Key insights from the report include:

Resilience during economic downturns: Multi-tenant light industrial properties have consistently outperformed other real estate sectors in periods of economic stress, thanks to their ability to maintain occupancy and rent collection, even in challenging market environments.

Strong supply and demand fundamentals: The sector benefits from a supply-demand imbalance, particularly in high-barrier-to-entry markets where limited new development has created sustained demand for smaller industrial spaces.

Diversified tenant base: The wide range of industries represented in multi-tenant light industrial spaces provides a natural hedge against sector-specific downturns, ensuring stability even during periods of economic uncertainty.

Inflation protection: The shorter lease terms common in this sector enable more frequent corrections of rental rates, allowing property owners to keep pace with inflation and market changes more effectively.

BKM's white paper also highlights the firm's decade-long track record of strong portfolio performance, with high occupancy rates, minimal credit losses, and substantial NOI growth driven by its value-added strategy. As of Q2 2024, BKM's portfolio continues to outperform, even amid elevated financing costs and economic uncertainty. As such, the firm emphasizes BKM's stance that multi-tenant light industrial properties, even in the event of a recession, are expected to deliver strong risk-adjusted returns relative to other asset classes.

Please click [here](#) to download the full report.



Media Contact

BKM Capital Partners

mktg@bkmcp.com

1701 Quail St. Unit 100

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