

Industrial Real Estate Glossary

Abatement: Often referred to as free rent or early occupancy, occurring outside or within the lease term.

Additive Manufacturing: Creating objects by adding material layer by layer; commonly known as 3D printing.

Air Curtain: Device above a door restricting air movement to maintain indoor temperature.

Automation: Use of technology or robotics to perform tasks with minimal human intervention.

Base Rent: Minimum rent, subject to increases over lease term.

Base Year: Reference year for calculating tenant’s share of operating expense increases.

Big Box Industrial: Large industrial buildings (typically over 100,000 sq ft) for storage, distribution, or manufacturing.

BOMA: Building Owners and Managers Association; standardizes commercial building measurements.

Brownfield: Previously developed land potentially contaminated, requiring remediation.

Built-Up Roof (BUR): Roofing with alternating layers of tar and gravel.

Build-to-Suit: Facility constructed specifically to meet a tenant’s operational needs.

Building Classifications: Categories (A, B, C) reflecting age, quality, and location of buildings.

Building Code: Municipal regulations dictating property use, design, materials, and safety.

Butler Building: A pre-engineered metal building system known for its modular design and quick assembly, commonly used in industrial and warehouse structures.

CCIM: Certified Commercial Investment Member; designation in commercial real estate.

Ceiling Height: Height from floor to roof of a building.

Class B Industrial: Industrial properties typically characterized by slightly older age, moderate construction quality, and less prominent locations compared to Class A properties. They often have lower clear heights, fewer loading options, and may require some upgrades or renovations. While not considered prime assets, Class B industrial facilities offer functional and cost-effective options appealing to a wide range of tenants looking for practical space in accessible, though secondary, locations.

Clear Ceiling Height: Usable vertical height from floor to lowest structural element.

Clear Span Roof: A roof structure designed without intermediate columns or structural supports, allowing for unobstructed open space beneath. This design maximizes usable interior area, offering significant flexibility for tenants who require large, open spaces for operations such as warehousing, distribution, or manufacturing processes.

Cold Storage: Temperature-controlled facilities for refrigerated or frozen goods.

Column Grid: Spacing arrangement of structural columns within a building affecting usable space and flexibility.

Contractor Garages: Industrial or flex properties specifically designed for tradespeople and contractors, typically featuring smaller individual units with drive-in access, overhead doors, storage areas for tools, equipment, or materials, and occasionally limited office space. These facilities cater to tenants such as plumbers, electricians, landscapers, and other trades, providing functional space suitable for operations and secure storage.

Cross Docking: Direct transfer of goods from incoming to outgoing trucks with minimal storage.

Distribution Center: Facility for receiving, storing, and distributing goods.

Dock-High Loading: Loading docks positioned at standard truck-bed height (approximately 48 inches).

Dock Leveller: Platform bridging gap between loading dock and truck.

Drive-In Racking: Storage allowing forklift access into racks for pallets.

E-Commerce: Online buying/selling of goods, boosting industrial real estate demand.

Easement: Legal right allowing use of someone else's property for specific purposes.

EIFS (Exterior Insulation and Finish System): A type of exterior building cladding that provides insulation and decorative finish in one integrated system, commonly applied to commercial buildings and warehouses.

Environmental Site Assessment (ESA): Study identifying environmental contamination risks.

ESFR (Early Suppression, Fast Response): Sprinklers quickly suppressing fires in high-piled storage.

Fire Rating: Classification indicating the duration a building component withstands fire.

Flex Industrial: Properties combining office, warehouse, and light manufacturing uses.

Gantry Crane: Mobile crane used in open or semi-enclosed spaces.

Greenfield: Undeveloped land for new construction projects.

Geotechnical Report: A detailed document prepared by geotechnical engineers, outlining soil composition, rock characteristics, groundwater conditions, and stability analyses for a specific site. This report provides critical recommendations for foundation design, construction methods, and mitigation of potential site-

related risks in industrial real estate development.

HVAC: Systems regulating indoor heating, ventilation, and air conditioning.

Heavy Industrial: Properties designed for heavy manufacturing or processes requiring robust infrastructure.

Industrial Outdoor Storage (IOS): Outdoor storage for equipment, vehicles, or materials.

Internet of Things (IoT): Connected devices communicating over the internet for monitoring/control.

Light Industrial: Facilities for assembly, storage, office work; lighter infrastructure needs.

Loading Dock Configuration: Arrangement, dimensions, and functionality of loading docks.

Make-Up Air: Ventilation replacing exhausted air to maintain indoor quality.

Marshalling Area: Space for trucks preparing for loading/unloading.

Mezzanine: Intermediate floor within a warehouse maximizing vertical space.

Modified Bitumen Roofing: Asphalt-polymer roofing for enhanced waterproofing.

NAIOP: Commercial Real Estate Development Association.

Net Lease: Tenant covers some or all property expenses (taxes, insurance, maintenance).

Obsolescence (Building): Condition where a building becomes outdated or less functional.

Parking Ratio: A measure indicating the number of parking spaces provided per unit of building area, typically expressed per 1,000 square feet. Important for zoning compliance and tenant requirements.

Phase I ESA: Environmental report assessing contamination risks through historical records and inspection.

Phase II ESA: A detailed investigation conducted when a Phase I ESA identifies potential environmental contamination, involving soil, groundwater, and building material sampling to determine the presence and extent of pollutants.

Power: Electrical energy usage or production rate, measured in watts (W).

Precast Concrete: Concrete components manufactured off-site and assembled on-site.

Property Condition Report (PCR): Assesses property’s physical condition and maintenance needs.

Rack Storage: Warehouse shelving for vertical/horizontal storage.

Rail Served/Access: A property or site with direct connectivity to rail infrastructure, allowing goods to be loaded and unloaded directly from rail cars, highly desirable in

logistics, manufacturing, and distribution operations.

REC (Recognized Environmental Condition): A term used in environmental site assessments (especially Phase I ESAs) to indicate the presence or likely presence of hazardous substances or petroleum products in, on, or at a property. An REC suggests a potential contamination issue that may require further investigation or remediation. This designation can impact financing, development plans, and liability concerns for industrial real estate properties.

Recessed Dock: A loading dock configuration in which the dock doors are set back into the building, creating an exterior staging or maneuvering area protected from weather and improving truck alignment. This design enhances loading efficiency, safety, and protects goods during the transfer process.

Retention Pond: Basin managing stormwater runoff.

Roof Load: Maximum weight a roof structure supports.

SIOR: Society of Industrial and Office Realtors; professional organization for industrial/office brokers.

Single-Ply Membrane: Synthetic roofing materials (TPO, PVC, EPDM).

Site Coverage Ratio (SCR): Land percentage covered by structures.

Small Bay Industrial: Industrial properties characterized by smaller, individually leased units typically ranging from 1,000 to 10,000 square feet. Often configured for multiple tenants, these spaces are suited for local businesses requiring flexible warehouse, showroom, office, or light manufacturing areas with convenient loading access.

Speed Bay: A designated loading and staging area in a warehouse or distribution facility, typically located adjacent to loading docks, designed to facilitate rapid movement, sorting, and transfer of goods. Speed bays enhance operational efficiency by reducing congestion and improving workflow between receiving, storage, and shipping areas.

Sump Drain: Collects and removes water from building/property low points.

TEU (Twenty-Foot Equivalent Unit): Standard cargo measures equal to a 20-foot container.

Tenant Improvements (TI): Modifications for specific tenant needs.

Tilt-Up Construction: Concrete panels cast on-site and tilted into place.

Trench Drain: Linear drain system for water management in industrial spaces.

Triple-Net Lease (NNN): Lease where tenant pays all property operating expenses.

Truck Court: Area for truck maneuvering, loading, unloading around warehouses.

Turn Radius: The minimum clear space required for vehicles, particularly trucks, to safely maneuver or turn without obstructions on a property, essential for industrial facility planning and site design.

Under Hook Height: Vertical lifting capacity determined by crane hook height.

Utilities: Essential services (electricity, water, gas, telecommunications).

Value-Add Investment: Investment requiring improvements to increase market

value or rental income.

Warehouse: Facility for storing, distributing, or producing goods.

Warehouse Management System (WMS): Software optimizing inventory storage and retrieval.

Wet Pipe Sprinkler System: Fire suppression system with water-filled pipes for immediate response.

Yard Area: Outdoor space surrounding industrial facilities for storage or truck circulation.

Zoning: Regulations determining property use (industrial, commercial, residential).

Zoning Ordinance: Local statute controlling land use and improvements within specific zones.