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INDUSTRY-LEADING INSIGHTS AND MARKET ANALYSIS

AUGUST 2023

ICE TO SEE YOU: NEWER FREEZER TECHNOLOGY HELPING INDUSTRIAL REAL ESTATE DEVELOPERS AND OWNERS COOL COSTS AND SOLIDIFY EFFICIENCIES

Industrial freezer cooler advancements offer commercial real estate developers cost-effective opportunities by enhancing energy efficiency, environmental compliance, product quality, and customization.

With demand for massive industrial warehouses—both existing and spec—showing little sign of slowing down across all four major Texas metros, an area where industrial developers and owners can realize enhanced efficiencies and cost savings is within the freezer cooler product segment.

Advancements in industrial freezer cooler technology have created a ripe opportunity for commercial real estate developers to replace older inventory with state-of-the-art facilities.

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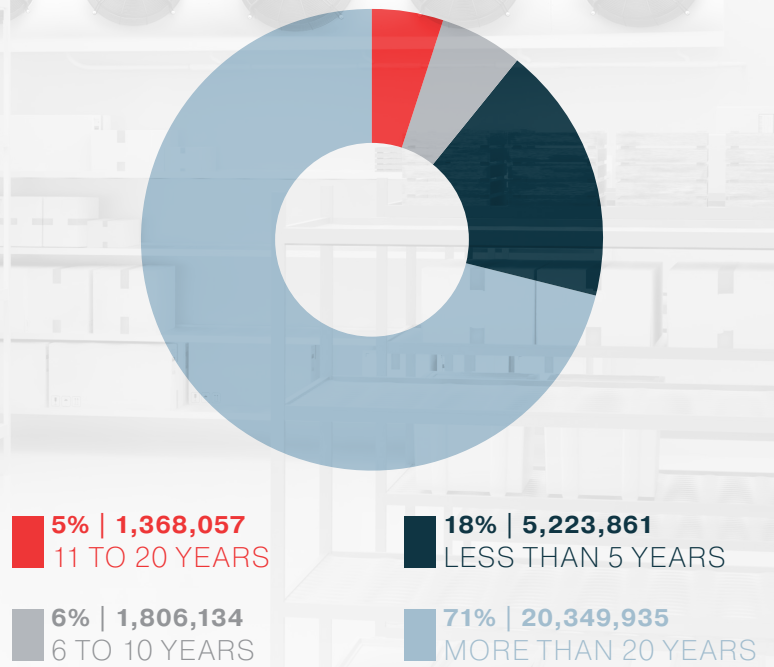
BUSINESSES CAN ACHIEVE LONG-TERM COST SAVINGS WHILE POSITIONING THEMSELVES FOR SUCCESS IN THE COMPETITIVE MARKET.

These advancements are driven by the industry's demand for enhanced efficiency and environmentally friendly cooling solutions. Some notable technological breakthroughs include:

- Energy Efficiency:** Innovations in compressor technology, insulation materials, and control systems have resulted in reduced energy consumption and minimized heat transfer. By upgrading to energy-efficient freezer coolers, businesses can achieve substantial cost savings and contribute to a greener future.
- Environmental Compliance:** Stricter environmental regulations related to refrigerants and energy consumption necessitate replacing older freezer coolers. Newer models utilize environmentally friendly refrigerants like HFCs and HFOs with lower global warming potential, ensuring compliance and reducing the facility's carbon footprint.
- Enhanced Product Quality:** Cutting-edge freezer coolers offer advanced features such as precise temperature control, optimized airflow, and frost prevention. These improvements result in better product quality and extended shelf life.
- Technological Advancements:** Modern freezer coolers come equipped with smart controls, monitoring capabilities, and remote management functionalities. These features enable real-time temperature and humidity monitoring, data analytics, and predictive maintenance, optimizing freezer performance and minimizing downtime.
- Long-Term Cost Savings:** While the upfront investment in new construction may seem significant, the long-term cost savings are substantial. Energy-efficient freezer coolers reduce utility bills, lower maintenance costs, and minimize product losses due to improved temperature stability.

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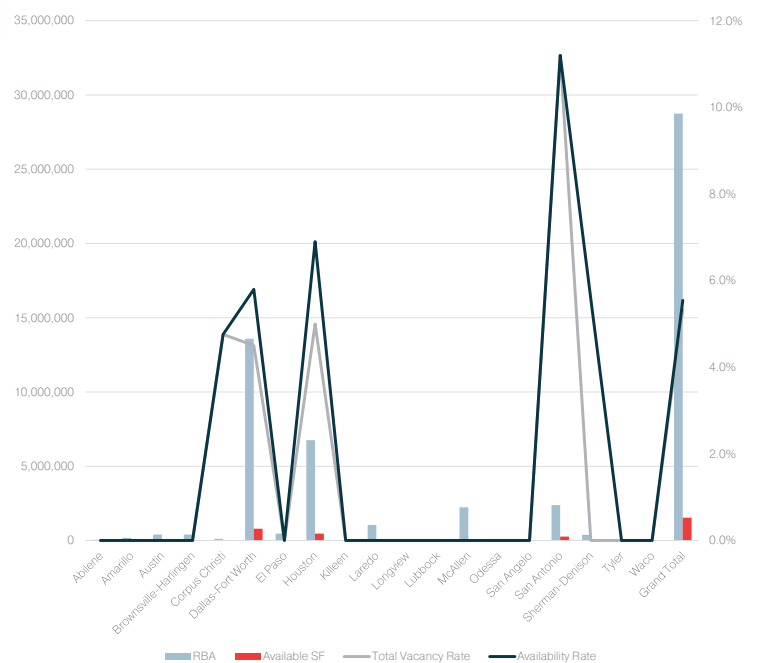
FREEZER COOLER SPACE BY AGE



The amount of freezer cooler space both vacant or available in Texas remains extremely low (5.3% and 5.5, respectively). Most markets across the state have little to no inventory and only a handful of projects are currently underway, most notably the bulk of them are in Dallas-Fort Worth.

Of the existing inventory, more than 70% are in properties that were built more than 20 years ago, making the need for more product even more pronounced than the vacancy rate would indicate.

FREEZER COOLER PROPERTIES BY MARKET



The availability and vacancy rate for San Antonio looks high but almost all of that is made up from the San Antonio Cold Storage Warehouse which completed construction in early 2023. About 25% of the project has already been leased to Surlean.

TEXAS FREEZER COOLER PROJECTS CURRENTLY UNDER CONSTRUCTION

- **Flexibility and Customization:** Developers can design and construct facilities tailored to specific requirements, such as varying storage capacities, temperature zones, and specialized storage needs. This flexibility accommodates unique storage demands and allows businesses to plan for future expansion.

- **Reliability and Durability:** Newer models boast improved reliability and durability, reducing the risk of equipment failures. New construction enables businesses to start with a fresh inventory of reliable freezer coolers, minimizing downtime and maintenance costs.

In light of these advancements, replacing older freezer cooler inventory with new appliances presents a compelling opportunity for commercial real estate developers and investors. By capitalizing on the latest technological advancements, optimizing energy efficiency, complying with environmental regulations, and improving product quality, businesses can achieve long-term cost savings while positioning themselves for success in the competitive market.



Chill DFW Storage
Dallas-Fort Worth
302,400 SF
302,400 SF Available



2600 McCree Bldg C
Dallas-Fort Worth
132,600 SF
132,600 SF Available



Triple Temp Cold Storage
Austin
125,030 SF
0 SF Available



4051 Vantage Dr
Dallas-Fort Worth
129,283 SF
129,283 SF Available

FREEZER COOLER KEY STATS BY MARKET

Market	Existing Inventory (SF)	Vacant SF	Available SF	Vacancy Rate	Availability Rate
Abilene	50,704	-	-	-	-
Amarillo	175,864	-	-	-	-
Austin	398,271	-	-	-	-
Brownsville-Harlingen	403,939	-	-	-	-
Corpus Christi	119,768	5,700	5,700	4.8%	4.8%
Dallas-Fort Worth	13,587,119	612,540	794,086	4.5%	5.8%
El Paso	470,300	-	-	-	-
Houston	6,752,346	336,835	465,910	5.0%	6.9%
Killeen	28,960	-	-	-	-
Laredo	1,049,666	-	-	-	-
Longview	17,500	-	-	-	-
Lubbock	16,760	-	-	-	-
McAllen	2,233,699	-	-	-	-
Odessa	7,635	-	-	-	-
San Angelo	27,567	-	-	-	-
San Antonio	2,389,699	267,658	267,658	11.2%	11.2%
Sherman-Denison	385,333	-	21,506	-	5.6%
Tyler	5,000	-	-	-	-
Waco	40,754	-	-	-	-
Other	587,103	-	-	-	-
Grand Total	28,747,987	1,533,354	1,594,239	5.3%	5.5%