IBIS Capital
Real Asset Market Brief

Q2 2026

MARKET SNAPSHOT

Macro divergence, middle-market stability

Data as of March 31, 2026

40%	4.35%	$115	2.5%
TOP 10 S&P WEIGHT	10-YR TREASURY	BRENT CRUDE	IOS VACANCY

The first quarter closed with public equity markets masking a deeper divergence. The top 10 stocks in the S&P 500 now account for roughly 40% of the index's total market capitalization while generating only about 32% of its earnings. Technology alone is responsible for nearly 36% of all S&P 500 earnings, with the remaining 490 names growing at under 6%. For allocators with concentration risk on their radar, middle-market private assets offer both diversification and liquidity optionality that public equities increasingly do not.

The Iran conflict has introduced a supply shock that cuts closer to real asset portfolios. Brent crude surged to $115 per barrel after the effective closure of the Strait of Hormuz disrupted roughly 20% of global oil and LNG flows. The 10-year Treasury yield has climbed to 4.35%, its highest level since August 2025, as energy-driven inflation concerns have pushed markets to price in nearly a 50% chance of a Fed rate hike by December, a sharp reversal from earlier expectations of two cuts.

WHAT'S NOTABLY ABSENT

Distress in the asset classes where we operate. IOS vacancy nationally remains at 2.5%. Medical office occupancy is at a decade high as aging demographics and the shift to outpatient care outpace a constrained supply pipeline. Senior housing occupancy has risen for 18 consecutive quarters as the first baby boomers turn 80 and new construction sits at its lowest level in nearly two decades. The real asset middle market is not immune to macro volatility, but its income streams are generated by essential-use tenants on net leases with contractual escalations, a profile that has historically performed well in exactly these conditions.

Sources: CBRE Q4 2025; Hamilton Lane; Goldman Sachs Research; FactSet Earnings Insight; Trading Economics.

SECTOR FOCUS

What operators see below $10M that institutional capital does not

Institutional capital is arriving to industrial outdoor storage (IOS). CBRE's Q4 2025 data tracks 70 markets, national vacancy sits at 2.5% against 6.7% for traditional industrial, and the rent premium over conventional product averaged nearly 18%. Below $10M, the transaction size is too small to move the needle for institutional platforms, which means the pricing inefficiency is structural.

The institutional thesis centers on scarcity and replacement cost: zoning is difficult, municipalities resist new entitlements, and supply growth has flatlined. All accurate, but it only describes the supply side. Supply-side arguments do not explain why IOS rents held up during the 2022-2024 freight recession while traditional industrial vacancy nearly tripled. When we asked operators in our network, the answer was consistent: the resilience comes from tenant composition, not scarcity.

IOS Tenant Demand

Trucking | Equip. Rental | Contractors | Gov / Utility | Materials

Our IOS operators describe demand across five categories that move on different cycles: trucking and logistics, equipment rental, contractors, government and utility crews, and construction materials. Trucking softens during trade slowdowns. Construction pulls back in a rate cycle. Government and utility spending continues regardless. When submarket vacancy sits below 3% and five categories of replacement tenants would take the yard tomorrow, single-tenant risk looks fundamentally different. These tenants integrate a yard into daily operations. Relocating is disruptive, which produces stickiness that does not show up in a cap rate.

The pricing gap below $10M exists because the buyer pool is thin. Institutional platforms target larger assets. Local buyers often lack the operator relationships to underwrite re-tenanting risk confidently. The result is a segment where disciplined operators can acquire at a meaningful basis discount to replacement cost.

CBRE's data confirms the macro case. Identifying an attractive asset class and being able to source within it are two different capabilities. For allocators, the question is whether their current managers can access sub-$10M IOS transactions where operator relationships determine both sourcing and execution. That is the layer we invest in.

Operator perspectives: Kristina Chang, CEO, Westlake Realty and advisory board member to Ibis Capital
Market data: CBRE Q4 2025 U.S. Industrial Outdoor Storage Report.

FEATURED TRANSACTION

5-acre IOS acquisition, Northern California

A vertically integrated operator in our network recently closed on a 5-acre industrial outdoor storage facility in Northern California's South Bay corridor. The property includes five buildings totaling roughly 24,000 square feet, with the balance dedicated to secured outdoor yard space. The site sits minutes from a major interstate in a submarket where industrial vacancy is below 5%, with tenant demand increasingly driven by technology and manufacturing users being priced out of core Silicon Valley locations.

Sourcing
A prior buyer's transaction fell through, and the seller needed certainty of close. The operator's strong initial offer and persistent follow-up positioned them as the broker's first call when the deal reopened. Purchase price below original underwriting.

Occupancy
Above 80% leased at closing. Diverse tenant mix: seller leaseback, landscaping and materials company on a multi-year term, equipment-intensive user occupying the specialized service facility and yard.

Improvements
The site includes a fully permitted paint and sandblast facility with service bays. These improvements are expensive to replicate and few competing yards offer them, which limits tenant alternatives and supports pricing power on renewal.

Economics
Stabilized yield approaching 9% with minimal capital expenditure beyond lease-up. Heavy industrial zoning (M-2) supports a wide range of IOS tenant uses.

Similar dynamics in the Sacramento MSA. *Through our operator relationship with Westlake Realty, we evaluated a 4-acre IOS facility in West Sacramento where the asking price dropped from $5.35M to $4.8M, then to $3.5M, and finally to the sale price. A bankruptcy sale of a comparable property across the street had partially reset pricing in the submarket. The result was a basis of $17/SF, a significant discount to comparable IOS transactions in the area prior to the dislocation. The site is zoned for contractor yards, fleet staging, equipment storage, and material handling, and sits in one of the most active industrial submarkets in the Sacramento MSA, where vacancy is currently 5.5%.*

PIPELINE & OUTLOOK

Eight asset classes. $150M active pipeline.

Ibis Capital is actively evaluating approximately $150M in pipeline opportunities across eight asset classes over the next twelve months. The volume and quality of deal flow varies meaningfully by sector, and that variation is itself a signal worth watching.

Industrial outdoor storage continues to generate the most consistent pipeline activity, with roughly one actionable opportunity per month reaching our desk through operator relationships. Industrial distribution is producing fewer deals by volume, but the quality in secondary and tertiary markets has been strong. We are also evaluating a $25M GP partnership opportunity with a vertically integrated medical office building operator, a relationship that would add further scale to the platform with institutional-grade operational infrastructure already in place.

Senior living remains competitive on a broadly marketed basis, but our operator partnerships provide access to off-market, operator-managed transactions that are producing meaningfully stronger economics than what we see in brokered processes. Structured credit continues to perform at the deal level: our operator-lenders are consistently hitting their real estate collateral targets and short-term deliverables. However, broader market sentiment around private credit warrants caution, and we are underwriting selectively.

Several asset classes are not penciling for our strategy at current pricing. Multifamily cap rates remain too compressed to meet our return thresholds. Self-storage deal flow has been low volume for transactions that fit our buy box. Student housing remains opportunistic, and we may evaluate one or two deals in 2026. These observations reflect where our specific operator network is generating deal flow and what catches our attention. We are disciplined about what fits and what does not.

Next quarter: The medical office building opportunities at the sub-$15M level.

ABOUT IBIS CAPITAL

Ibis Capital is a real asset alternatives firm specializing in operator-direct co-investment across the $5M to $15M middle market. The firm partners with vertically integrated operators to provide access to diversified real asset strategies for insurance company and family office portfolios.

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