**Industrial Land Value Optimization (ILVO)** establishes a new set of principles for industrial property development through site design, tenant attraction, and logistics. As part of a modern Silk Road\*, ILVO pinpoints a property's highest and best value.

\*The Silk Road was an ancient trade route linking China with the West, carrying goods and ideas between the two great civilizations of Rome and China.

**In the 21st century, land use choices must reflect the full impacts of:**

1) the industrial activities at each property  
2) the broader industrial systems in which these activities occur  
3) transporting material, goods, and workers to and from each site.

This redefines the concept of “highest and best use.” Currently, the guiding principle in real estate development rivets attention to the site’s maximum coverage, density, height, and income, with little regard to the impacts on logistics and supply chain systems, quality of community life, and the environment. In many cases, the implications of moving material and people to and from a property are greater than what occurs at the property.

OTNA teaches how to use multiple commercially available freight databases to illuminate the supply chains that originate, terminate, and pass through a property’s region. This understanding enables land developers and realtors to target buyers or tenants who would most appreciate the property's logistics value.

Knowing the supply chains that a property can serve using rail when sensible boosts the volume of on-site services that can be provided and enables shippers to access a larger marketplace for material supply and product distribution.

Land use planning is widely practiced in transit-oriented development but rarely applied to logistics-oriented development. Optimizing a property’s use of highways and rail lines advances many public-sector objectives.

North America's development pace calls for carefully preserving land along rail rights-of-way. To optimize the productivity of the existing rail network, it is essential to limit non-rail shippers’ development of rail-adjacent property. Rail service requires access to rail lines. In the same way that communities preserve land along scenic lakefronts for low-impact, non-industrial uses, land adjacent to rail lines should be used as much as possible for rail-served industrial activities. Land is no longer so plentiful in North America that we can afford to use it unwisely.

***What sensible approaches should North America embrace?***

* Support developers in designing sustainable logistics plans
* Preserve land along rail ROWs for rail-served development
* Create a continental rail-served property database
* Co-locate utility and transportation corridors
* Co-locate passenger and freight rail lines
* Offer property tax incentives to shippers using the rail system
* Develop corridor rail development and operating plans

### As the continent embarks on facilitating the rail service expansion envisioned in CAPSI, it must recognize that Industrial Land Value Optimization is critical to attracting private-sector investment capital in sustainable industrial systems.