

# FLOW

Freight Logistics Optimization Works

# ELION



U.S. Department of Transportation  
Office of the Secretary of Transportation

# Elion Partners

Warehouse Demand Forecasting  
FLOW Case Study



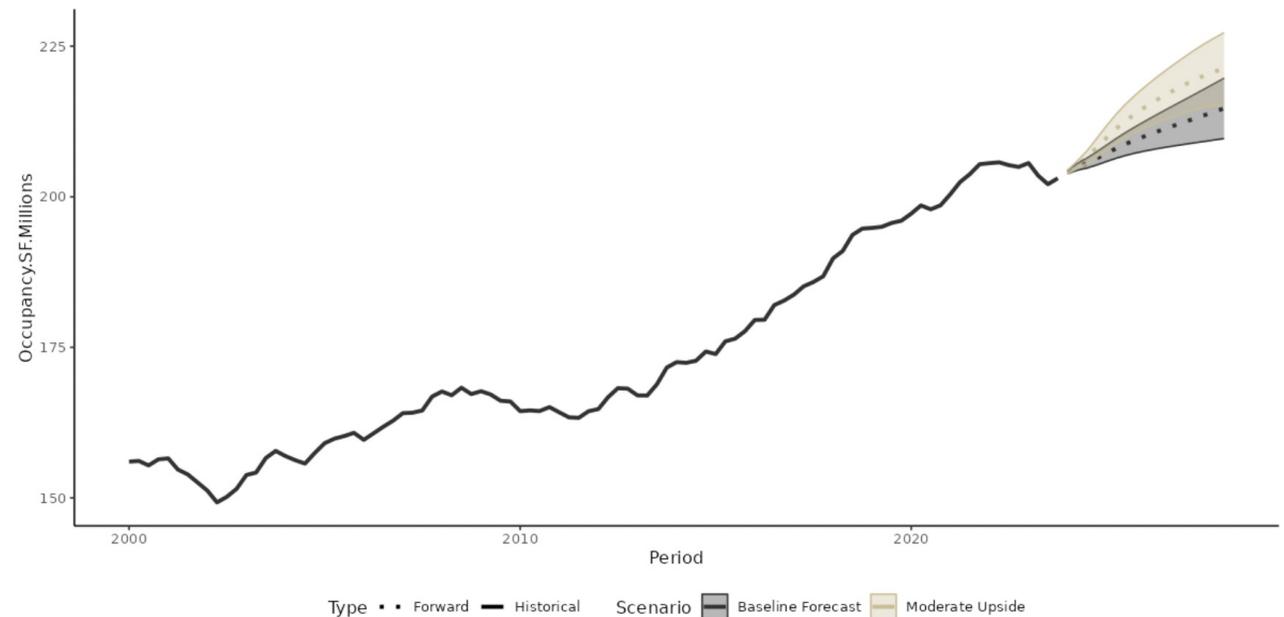
# Who we are

- Real Estate Private Equity Firm
- Industrial/Logistics Real Estate
- Building tools to manage our day-to-day operations
- Exciting research on supply/demand/pricing of logistics real estate



# Forecasting Warehouse Demand and Supply

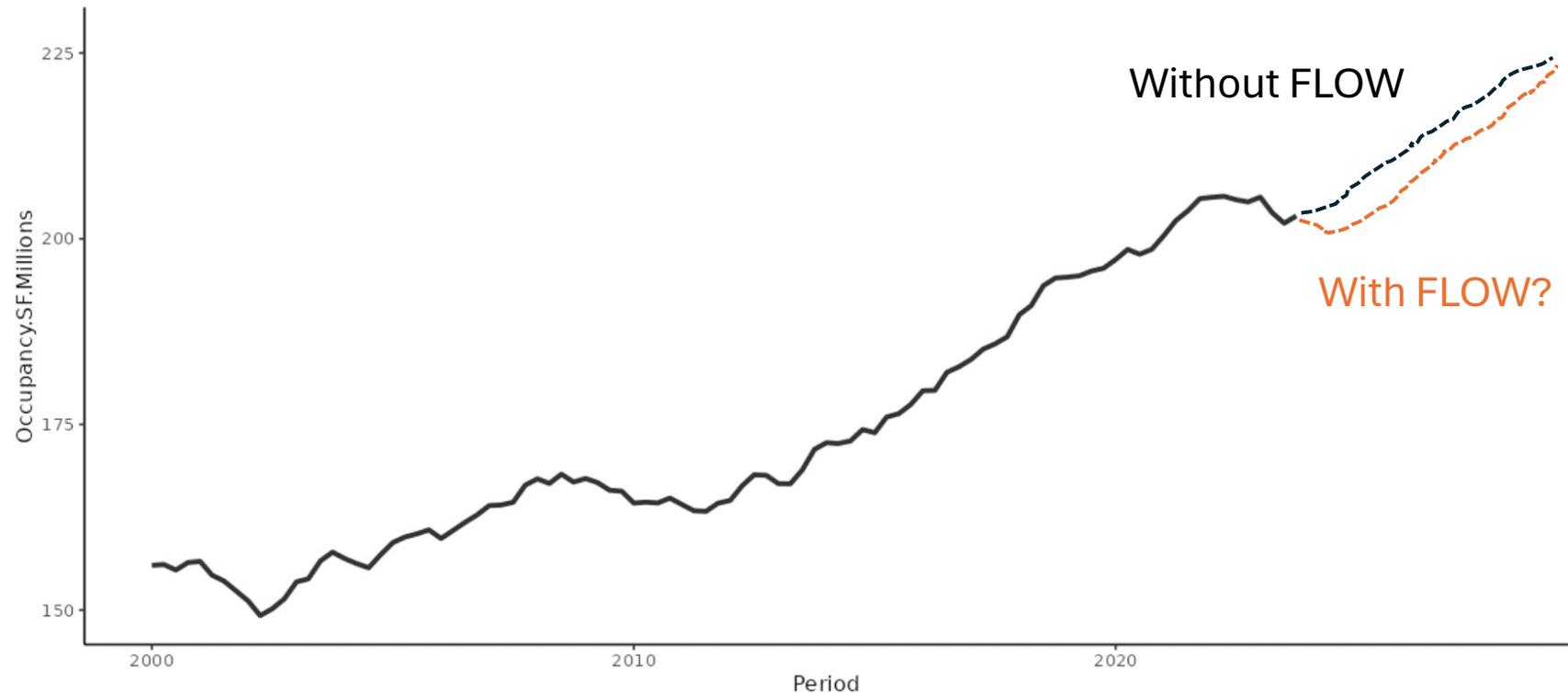
- **What:** Make the supply chain more resilient by finding markets where logistics real estate demand will outmatch supply and add new product
- **How:** Forecast warehouse demand/supply using local consumer spending indicators
- We invest in markets with a major port presence – a big demand driver!
- **Question:** Can we improve our short and long-run demand forecasting with port volume data from FLOW?



# Forecasting Warehouse Demand and Supply

## Potential Benefits

- More real-time data for short-run forecasting of demand (next 1 – 2 quarters) – translates into long-run impact (next 4 – 5 years)
- Consolidated historical data for model training



# Measuring Success

- Success is determined with "back-testing":
  - Consider a candidate forecasting model
  - "Walk forward" through time in our data, making hypothetical forecasts
  - Compare actual outcomes vs. forecast, note error in each time step
  - Repeat process for all candidate models (with and without FLOW data)
  - Choose a "champion" model based on theoretical grounding (does it make sense?) and empirical back-testing results (higher accuracy)



# Roadmap

## Milestones

- ✓ Completed Data Dictionary
- ✓ Mapped Elion/FLOW Data
- ✓ Identified Data Gaps
- Procure Historical Port Data

## Next Steps

- Incorporate FLOW data in models
- Compare back-testing results

## Looking Forward

- A need for long-run port volume forecasts (4 – 5 years) – anyone working on this?



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