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Redlands industrial market picking up steam

By JOY JUEDES, Staff Writer

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REDLANDS - Activity has increased in the Redlands industrial market, according to developers, brokers and recent transactions.

In March, a Carson-based industrial real estate developer broke ground on a 616,540-square foot industrial building on Pioneer Avenue. It was the first speculative industrial building to break ground in the Inland Empire since 2009, according to the corporation, Watson Land Company.

"The absorption rate for larger industrial buildings within the Inland Empire market has increased significantly in the past year," Watson vice president of marketing and leasing Lance Ryan said in a news release. "This has led to a supply-constrained market for properties above 500,000 square feet, with continuing strong demand for new product among large corporate users and third-party logistics companies."

On Thursday, BlackRidge Real Estate Group announced its acquisition of a 147,677-square-foot industrial building in the Redlands Business Center on Research Drive. The warehouse, constructed in 2006, is 50 percent leased to NTP Distribution, a recreational vehicle parts and accessories distributor, BlackRidge principal Anthony Brent said.

"The reason we bought it is because it's a state-of-the-art building, it's a well-located building within the Redlands market," he said.

NTP leased part of the building in 2008, and about 74,000 square feet is available, he said.

BlackRidge, which has offices in Los Angeles and

Irvine, acquired the property from Bixby Land Company for \$7,380,000, or \$50 a square foot. The building is part of the Redlands Business Center, a master planned business park.

The Watson building, which is in Watson Commerce Center Redlands, is slated for completion in the fourth quarter of 2011.

Brent, who works in Los Angeles, said the local industrial real estate market seems to be picking up.

"It quit for awhile but the market seems to be absorbing pretty rapidly," he said.

There has been a rise in lease activity in the past few weeks, he said.

"A lot of these deals went so cheaply and they can offer a really good rate," said Rick Lazar, president of Coldwell Banker Commercial Lazar & Associates in Redlands.

Lazar's office has worked with companies including Hangar 24 Craft Brewery and iMedRIS Data Corporation on industrial building purchases. Lazar said the industrial market and residential land development have improved,



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"The industrial market has definitely done a good turnaround, no question about it," he said.

"(It) has been the one to charge back the last two to five months," Brent said.

The most activity has involved buildings 300,000 square feet and above, he said.

"If you want 400,000 square feet in the Inland Empire, you have one or two choices right now," he said.

Spencer Hull, vice president of Coldwell Banker Commercial Lazar & Associates, said companies from Los Angeles and Orange County have "snatched up" Redlands buildings because they could buy them at "record low prices."

"It's tough to beat the price these guys offer," he said.

They are now repositioned to offer great lease rates, he said. And more buildings are likely to be built because there is still a need.

"I think there'll be a lot of news to report in the next quarter, a lot of absorption," Brent said.

"There is more to come," Lazar said.

Redlands-based economist John Husing wrote in his January quarterly economic report that logistics, construction and manufacturing must grow or the Inland Empire's "high unemployment rate will not come down."

Logistics is up from 2009 by 3,100 jobs "due to rising strength at the ports," he wrote.

"For local truckers and warehouses to grow further, they need that expansion to continue," he wrote.

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