

Watson Land Acquires 267,000-SF Warehouse

By Bob Howard

November 5, 2008



771 Watson Center Rd.

CARSON, CA-Watson Land Co. has acquired a 266,780-square-foot single-tenant warehouse and distribution property from TA Associates Realty in one of the largest in a series of recently closed industrial deals in Los Angeles County. The property, at 771 Watson Center Rd. in the seven-million-square-foot Watson Industrial Center, serves as a warehouse and distribution facility for UPS Supply Chain Solutions.

Craig Halverson, vice president of acquisitions for Carson-based Watson Land, notes that the acquisition includes eight acres of extra land and that the property will play “an integral role in the expansion of our company.” UPS Supply Chain Solutions employs 232 workers

at the building, which was constructed in 1972. The Supply Chain Solutions business unit provides transportation and freight services, logistics and distribution, consulting, and international trade services.

The sale was brokered by Jay Borzi and Steve Silk of Eastdil Secured, along with David Prior and Todd Taugner of The Klabin Co. Price was not disclosed.



5556 Grace Place

Carson and other South Bay markets remain on the top of the list for industrial users wanting to be near the ports of Los Angeles and Long Beach, but some users are now opting to relocate for lower rates, according to Colliers International. The increase in prices in the South Bay has industrial users relocating their operations to neighboring regions, to areas such as Commerce, where the average asking lease rate for industrial space is 58 cents per square foot and sales prices average \$101 per square foot, compared with 68 cents for leasing and \$117 per sf to buy, according to Keith Graves, associate at Colliers International's South Bay office in Torrance.

In addition to offering cost efficiencies, cities such as Commerce are centralized within Los Angeles and businesses can maintain close proximity to major highways and the ports, Graves says. The most recent example of this trend is Horizon Tire Inc., a China-based company that relocated from Compton to Commerce. Horizon, an international importer and wholesaler of tires, leased a 51,184-square-foot industrial building to house its US distribution operations. Located at 5556 Grace Place in Commerce, the property is Horizon's second in the US, with its first in Houston. The tire company is moving out of approximately 50,000 square feet of space within an 80,000-square-foot industrial building in Compton that it has been subleasing.

Graves along with Alex Blecksmith, an associate with Colliers International's Commerce office, represented Horizon in the lease. The building owner, the Magellan Group Inc., was represented by Cushman & Wakefield.

In another example of industrial users moving to Central L.A. from South Bay, BW Enterprises, a UK-based furniture company, acquired a 30,000-square-foot industrial building at 6371 Randolph St. in Commerce for \$3.15 million, or \$105 per square foot.