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Watson Land Starts 617,000 SF of Spec Industrial

By: Bob Howard



REDLANDS, CA-Watson Land Co. has broken ground on a 616,542-square-foot industrial building within Watson Commerce Center Redlands, a project that the Carson, CA-based company says is the first speculative industrial building to break ground in the Inland Empire since 2009. Watson has named the Colliers International team of Tom Taylor, Steve Belliti, and Summer Coulter in the Colliers Inland Empire office as the leasing agents for the building.

Lance Ryan, vice president of marketing and leasing with Watson Land, explains why the company believes this is the right time to start a spec building. "The absorption rate for larger industrial buildings within the Inland Empire market has increased significantly in the past year," Ryan says. "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."

The latest Colliers International market report for the East Inland Empire industrial market, which Redlands is part of, is titled in part: "East Inland Empire Industrial Market Rebounds." The report, including results for the fourth quarter and the full year 2010, points out: "For the fifth quarter in a row, the net absorption has been positive in the East Inland Empire and the vacancy rate has decreased. Leasing and sales activity totaled an astounding 5.9 million square feet for the quarter and 16 million square feet for the year. This is well above the 2.7 million square feet reported in the fourth quarter of 2009 and is significantly higher than the 9.7 million square feet reported for all of 2009."

The Colliers report showed nearly 8.2 million square feet of net absorption in the 137-million-square-foot Inland Empire East submarket for 2010, with more than 3.5 million square feet of that in the fourth quarter. The result of the improvement has been an increase in industrial real estate demand that has produced "a U-turn in both asking rental rates and sales prices, which have risen over the previous quarter," the Colliers report states. "While modest, these price increases signal a change from a bottoming market to one that has begun to recover and is beginning to rise," Colliers says.

The new Watson building is under way at 26635 Pioneer Ave., near the 10 and 215 freeways and the San Bernardino International Airport. It is part of Watson Land Co.'s Legacy Building Series of flexible, class A facilities featuring "distinctive architectural detail, maximum efficiency and flexibility," Watson says. The building will be constructed to obtain LEED certification, featuring clerestory glass for day lighting and 100%.

The new 26635 Pioneer Ave. building will feature a cross-dock configuration with two spacious yards offering a 185-foot turning radius and up to 649 trailer storage spaces when combined with the adjacent land within Watson Commerce Center Redlands. Construction is slated for completion in the fourth quarter of 2011.

The new project will add to a Watson Land Co. portfolio of more than 15 million square feet of industrial space that the company owns and operates throughout Southern California.