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Market heats up for industry

Redlands region sees hike in real estate activity

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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.