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Chicago firm plans a spec distribution development

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Verus Partners recently bought 20 acres on Rodney Street near Interstate 485 in southwest Charlotte and plans to develop two distribution buildings there that together will total almost 300,000 square feet.

It's Chicago-based Verus' debut development in Charlotte. But the Queen City is no stranger to the various members of the Verus team, says Chris Broccolo, a founding principal.

The company was created three years ago largely by former executives with Chicago-based Higgins Development Partners, previously Walsh, Higgins & Co. Their backgrounds include development of Charlotte industrial buildings on Westinghouse Boulevard for Deere & Co. and West Marine Inc.

The Charlotte industrial market has been lagging in recent years but has demonstrated signs of a turnaround. For example, Childress Klein Properties Inc. has launched a \$31 million spec construction program totaling almost 800,000 square feet of warehouse space, the bulk of it in Charlotte.

The program consists of four buildings, three of them in Charlotte and one in Winston-Salem.

Industrial vacancy citywide has been on the decline in recent years and is currently about 11.8%, down from 14.3% a year ago, according to the latest figures from Karnes Research Co. With no recent development, vacancy in the southwest area has shown significant



signs of improvement, dropping to 6.7% so far this year from 8.9% at this time last year, according to Karnes.

Broccolo would not release development cost on the two Rodney Street buildings and a specific start date has not been set. He does say they'll start with one building of about 180,000 square feet. "When you build a building, there's always debate about whether it's the right project at the right time," Broccolo says. "But (prospective tenant) calls have become more frequent, and we feel like we're building the right product at the right time and the right price."

Broccolo would not disclose prospective lease rates. Verus is in the process of selecting an architect and general contractor.

Verus bought the property for \$1.45 million from Blythe Industries Inc. Lawrence Shaw of Clarus Properties Inc. represented Verus. David Herbert of Marietta Properties represented Blythe.