



C&W completes lease for 900,000 s/f distribution center; Target will spend \$50 million to convert Memphis site for Regional E-Commerce

February 09, 2015 - Front Section

Commercial real estate services firm Cushman & Wakefield | Commercial Advisors, LLC has completed a 900,000 s/f industrial lease with Target, which will spend \$50 million to reposition 5461 Davidson Rd. in Memphis as a regional online fulfillment center. The property owner, an asset management and investment firm, was represented in the transaction by Patrick Walton and Kemp Conrad, SIOR with Cushman & Wakefield-Commercial Advisors, LLC in Memphis. Target was represented by Patrick Burke of CBRE.

"This project is a great Christmas present to the Memphis region and starts 2015 on a very positive note," said Walton, noting that the distribution center is expected to generate more than 400 new jobs in Shelby County. "Labor played a major role for choosing Memphis."

Hiring for the new distribution center is expected to begin in early 2015, and the site is slated to be operational by mid-2015. The facility will be managed for Target by Innotrac, a 3PL vendor, and will service the southeastern U.S.

Target's site selection decision may also herald a growing trend in e-commerce distribution in the mid-south region. "It's not necessarily a same-day requirement, but a more regionalized approach," said Walton.

"In the past three years, users like Amazon and Walmart have invested in major tier-one markets and population centers to set up same-day or next-day delivery," said Kemp Conrad, president of Cushman & Wakefield-Commercial Advisors Asset Services. "As those primary networks are built out, secondary regional investment will come next. Memphis is the perfect location to serve a large swath of the country for non time-sensitive catalog services."

"Memphis is America's distribution center because it is so centrally located," added Conrad. "We can reach 75 percent of the country's population within a three-day truck drive and we're quadrimodal - meaning a nexus of logistical infrastructure including rail, roadways, runways and river."

Located near Memphis International Airport and Lamar/Hwy. 78, 5461 Davidson Rd. features 30-foot clear ceiling heights. Formerly home to Hamilton Beach, the property had been recently utilized for seasonal requirements prior to Cushman & Wakefield-Commercial Advisors' lease transaction with Target, which "represents the largest industrial transaction in this market this year, and in several years," said Walton.