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RAF Pacifica project nearly 50% pre-leased



Photo courtesy of RAF Pacifica Group

Construction continues on RAF Pacifica Group's creative, spec-development industrial property elevate.

By Thor Kamban Biberman

RAF Pacifica Group reported Monday it has pre-leased nearly 50 percent of its industrial development in Carlsbad, known as elevate, months before the project's completion.

"We made the decision to start construction on this project on a purely speculative basis because we know there is enormous demand for new, high-quality industrial space," said Adam Robinson, founder and principal of RAF Pacifica Group. "Our ability to heavily pre-lease this spec project demonstrates that the demand for industrial space will support new development if you're willing to invest in a high-end product."

Robinson said while elevate -- located at 2870 and 2864 Whiptail Loop in the Carlsbad Oaks North business park -- was originally built to serve pure distribution tenants, it also has attracted significant interest from industrial users in multiple industries.

Signed tenants include:

* Unite Eurotherapy, a global supplier of premium hair care products. It has pre-leased 54,018 square feet, or roughly one-third of the project, to serve as its new corporate headquarters

* B&D Nutritional Ingredients, a leading distributor of dietary supplements. It has pre-leased 10,994 square feet

* Hydrogenics, a Canadian developer and manufacturer of clean energy technology specializing in hydrogen generation and fuel cell products. It has pre-leased 5,509 square feet

"It is rare for smaller, multi-tenant industrial spaces, like the Hydrogenics space, to pre-lease," Robinson said. "The fact that we are even pre-leasing some of the smaller units speaks to the strength of the market, as well as to the quality of this asset."

"We are currently under negotiation to lease another 25 percent of the facility, which will likely bring the asset to nearly 75 percent occupancy prior to completion."

RAF Pacifica is currently targeting additional tenants across a diverse range of industries, including technology, life sciences, action sports manufacturing and clean energy technology.

Elevate features a state-of-the-art distribution configuration and interiors, including 56 dock-high doors and 21 grade-level doors with clearance heights between 27 feet and 32 feet. The development also will have creative office elements, including extensive glass for natural lighting, as well as outdoor gathering areas.

The CoStar Group projects the two-building complex should be completed by next spring.

Mike Erwin, Conor Boyle and Tucker Hohenstein of Colliers International are handling the leasing on behalf of RAF Pacifica Group.

"The tightening in supply of industrial product, coupled with demand drivers such as the rise of e-commerce, makes spec-development a strong long-term investment opportunity for investors and developers," said Hohenstein, a Colliers senior vice president.

Elevate is one of several creative spec-development industrial properties now under construction by RAF Pacifica.

With Robinson and Steve Leonard at the helm, RAF Pacifica oversees a portfolio of 2.65 million square feet of real estate, with a niche focus in office and industrial products.

The firm has acquired more than \$100 million in commercial real estate assets and land for development in 2016, with additional investments in the pipeline for the remaining month of the year.

RAF Pacifica has more than 1 million square feet of speculative development planned over the next 24 months.