

Last updated: Wednesday, July 9, 2008

458,936-SF Buckeye 75 Pulls \$35M at Closing

By John McCloud

PHOENIX-Lincoln Property Co. has acquired Buckeye 75 Distribution Park, a 458,936-sf, class A, multi-tenant distribution center in the city's southwest quadrant. The Dallas-based buyer has paid about \$35.1 million for the 30-acre project.

The seller was Mountain West Industrial Properties of Greenwood Village, CO, which completed the project last year at 7375 W. Buckeye Rd. and had leased 93% of it by the time it went on the market. The anchor tenant is [Pilkington North America Inc.](#), a vehicle and building glass company founded in 1826 that occupies 203,245 sf. Consisting of three buildings of 71,288 sf, 152,800 sf and 234,848 sf, the property is Lincoln's second acquisition from Mountain West.

"With a 93% occupancy rate, we feel this is a very attractive stabilized investment for Lincoln," says David Krumwiede, executive vice president of Lincoln's Western Region. "Acquisitions like this complement our development activities in which we delivered over one million sf of product in the second quarter."

The asset will be managed by Lincoln's property management division and leased by Bo Mills and Mark Detmer of Cushman & Wakefield of Arizona Inc., who also brokered the sales transaction on behalf of both parties. According to Mills, the property received about 10 offers.

Although it went out without an ask, Mills says the winning bid was within the range the seller had targeted. "It was relatively competitive," he says. "This was one of the best industrial properties to be bought to market in some time. It's new construction, well leased, functional, quality product and well located. It has it all."

At the same time, Mills acknowledges the asset did not bring as much as it would have 12 months earlier. "Cap rates have moved about 50 basis points from where they were a year ago for this particular property," he says. "But the seller felt like they made a good sale and the buyer felt like they had got a good price."

According to Krumwiede, the two firms' past relationship and Lincoln's known ability to close were as important as price in winning the deal. He tells GlobeSt.com the company is in discussion with tenants to fill the two remaining spaces and expects to have deals nailed down shortly.

Mills is quoting 50 cents per sf per year, triple net, for the remaining space, with \$10 per sf in tenant improvements. The rate, he adds, is in line with other class A product in southwest Phoenix.

Lincoln's regional team in Phoenix has developed more than 2.9 million sf of commercial and residential properties, acquired 2.7 million sf and manages over 4.8 million sf of commercial space. Mountain West owns three other completed industrial projects in the Phoenix area and is developing the 146-acre 303 Phoenix project in Goodyear, AZ.

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