

## CORPUS CHRISTI

With the cleanest air of any industrial city in the United States and one of the deepest ports on the East Coast, Corpus Christi's industrial market is strong as many heavy industrial users are considering locating to the city.

Port-related industries, including the petrochemical industry, are upgrading or expanding. Oilfield service companies are either entering the market or expanding because of the Eagle Ford Shale formation which is considered to be the next major oil and gas play in the United States. The new discovery covers a very large area from southwest Texas north through central Texas.

### WAREHOUSING

There are two distinct types of warehousing in Corpus Christi. One is the dock high distribution type of property and the other is the service type of property. The service type is a typical structural steel building with a yard. Vacant service-type properties are becoming harder to find because of oilfield exploration businesses. It's common for these types of properties to rent for \$7 to \$12 triple net and sell for \$50 to \$75 per square foot. Occupancy is close to 98 percent. Because of the demand for service-type properties and the lack of available properties, there are numerous land sales for new facilities. Sale prices for platted land ranges from \$1 to \$3.50 per square foot. Unplatted land can be found as low as \$3,500 per acre but it can take at least 6 months to plat.

The distribution type of property has a lower occupancy, currently at 91 percent. However, most of the vacant buildings have a clear stack height of 14 to 18 feet and were built dating back to the 1960s. There hasn't been a large demand for this type of building. The most recent building was a 100,000-square-foot, concrete tilt wall build-to-suit for American Tire Distributors at the corner of Navigation and Bear lanes. L&F Distributors, a Budweiser beer distributor, has also purchased more than 100 acres next to

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the Corpus Christi International Airport to build a new, larger facility. The 150,000-square-foot, state-of-the-art distribution building will be Phase I of a planned industrial park.

### PORT OF CORPUS CHRISTI

The Port of Corpus Christi has agreed to sell a major portion of Naval Station Ingleside to Leon Heron, owner of NSI Ventures, who plans to redevelop 916 acres into a light industrial, mixed-use complex for more than \$110 million. The Port acquired the property in April through the Base Realignment and Closure Act (BRAC). The money from this sale will be used on the La Quinta Channel project which will eventually be used for containerization.

Also, just outside Corpus Christi in Gregory, a Chinese-owned firm, TIPCO, has purchased land for a billion-dollar pipe manufacturing plant. Cheniere Energy Co. has announced they are again planning a liquefied natural gas terminal between Gregory and Ingleside.

A \$3 billion power plant known as Las Brisas Energy Center owned by Chase Power is being planned along the Port. It would burn petroleum coke residue from the refineries. However, it must pass clean air requirements before final approval will be granted by the state of Texas.

— Matthew Cravey CCIM, SIOR, RECS is president of NAI Cravey Real Estate Services

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## SAN ANTONIO

The San Antonio industrial market posted negative absorption of 56,500 square feet in the second quarter of 2010, but that is an improvement from a year ago, when the negative absorption was more than 200,000 square feet. The story behind the numbers remains ProLogis' aggressive rent offerings; they continue to capture the exceeding majority of the activity in the market with their low rental rates.

Separately, larger tenant transaction activity appears to be picking up again. With the three new-to-the-market transactions signed in the second quarter, two were around 100,000 square feet, and the third was 77,300 square feet; these are the largest new-to-the-market transactions since 2008. These tenants are set to take occupancy in the third quarter; unfortunately, these new leases alone will not be enough to post positive absorption in the quarter because the other notable story in the market is that three major tenants are vacating large blocks of third-party lease space. American Standard is vacating 350,000 square feet, Sysco Foods is building a new facility, which will

result in 2-party ware on the m ing 240,000 some of its new facilit

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SEAGOVILLE TOWN CENTER



- 128,813 population within a 5 mile radius\*
- 13,250 city population\*
- \$52,161.00 median household income\*
- 32.9 median age\*
- 2009 Retail Trade Analysis Available
- TIEF District Incentives