

Contact Us  

BUSINESSExaminer

THE SOUTH SOUND BUSINESS INFORMATION RESOURCE

Member of
THE ALLIANCE
OF AREA BUSINESS PUBLICATIONS

- Home
- Print Edition
 - Resource Guides
 - Public Records
 - Data Lists
 - Newsstand Locations
 - Search Archives
 - BE on the Road
 - 24 Hours of Business
 - 2007 Commercial Real Estate Forum
 - Top 25 Industries
- BE Daily
 - Subscribe to BE Daily
- Data Bank
 - Search Public Records
 - Purchase Book of Lists
 - Update or Add Data
 - Purchase Lists
 - Search Data
- Event Calendar
 - Add an Event
- Advertise
- About Us
 - Contact Us
 - South Sound Business Report
- Leadership Recognition
 - Women of Influence
 - Fastest Growing Companies
 - Top Places to Work
 - 40 Under Forty
 - Event Tickets
 - Health Care Champions - Pierce County
 - Nominations for All 2008 Programs
 - Health Care Champions - Thurston-Mason County
- Subscribe
 - Why subscribe to the Business Examiner?
 - Current Subscription Promotions

NEWS SEARCH



Log in here			
<table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="padding: 5px;">PRODUCTS</td> <td style="padding: 5px;">SEARCH</td> <td style="padding: 5px;">ADD DATA</td> </tr> </table>	PRODUCTS	SEARCH	ADD DATA
PRODUCTS	SEARCH	ADD DATA	
Shopping Cart (0 items)			
Print version			
<p>Smaller markets suit developer just fine</p> <p>Source: Business Examiner 03/17/2008</p> <p>Author: Paul Schrag</p> <p>While larger investors try and winnow their way into hot industrial and office markets, Jeff Davis has been cleaning up in smaller, South Sound locales such as Sumner, Lacey and DuPont.</p> <p>While emphasizing that his company, Davis Property and Investment, keeps a rich and varied portfolio, Davis has made the choice to invest in smaller, peripheral markets in recent years – a move that he suggests leads to higher yields and fewer headaches.</p> <p>“Investing in these smaller, industrial-based submarkets allows us to pursue some things that are kind of under the radar,” he said. “So we transitioned out of doing the big box stuff. Our choice was a conscious</p>			

Subscriber Login

E-mail:

Password:

 

Forgot your password?

[We'll e-mail it to you...](#)

Don't have an account?

[Subscribe here...](#)

one."

At this point, DPI manages more than \$120 million in real estate assets in Washington and Oregon. It was one of the region's first developers to enter fast growing sub markets between Sumner and Olympia. Davis also has invested heavily in Lacey, and has his sights set on DuPont as the next hot submarket. A recent investment in DuPont, said Davis, finished construction with 40 percent of the space already leased.

"We think there's still a tremendous upside to many of these smaller industrial-based markets along the I-5 corridor," said Davis, who expects to announce several more real estate deals in the coming months.

Davis recently sold the so-called Davis 196 building in Kent to Portland-based Harsch Investment Properties, which has major holdings in Federal Way and Fife. Harsch bought the 113,000-square-foot building for \$7.5 million. That marks a \$2.5 million profit for Davis Property, which bought the building for \$5 million in 2005 from Albur Investments LLC. In the meantime, Davis collected lease payments from local furniture retailer Furniture Factory Direct.

As markets such as Sumner and Fife continue to tighten, areas like DuPont, Lacey, and even Centralia and Chehalis areas will inherit trade-driven needs for smaller, distribution and office centers. Often, by the time the numbers are right for giants such as Opus and Morgan Stanley to build in smaller submarkets, Davis and company have already turned several deals there.

Things are moving fast, however, said Davis. Already, industrial sub markets in Lacey are getting nearly as expensive as their northern neighbors, and those trends are not expected to slow anytime soon.

"Values just continue to climb," said Davis. "In Lacey, the (price) differences are \$2 or \$3 (per square foot) from prices in Sumner. Luckily, there are a lot of alternatives left."

Published by [Business Examiner Newspaper Group](#) a locally-owned company.