

# Commercial Executive<sup>TM</sup> Magazine



INDUSTRIAL TRENDING

## **Confluent Development & DPC Companies Close Deal on Class A Distribution Center in Phoenix**

Sale shows heightened confidence, interest in industrial development in Arizona market

Confluent Development, a Denver-based real estate investment and development firm, and DPC Companies, a Colorado-based commercial real estate owner and developer, have closed on the sale of the HUB 317, a class “A” distribution center within the epicenter of Phoenix’s Sky Harbor industrial submarket. The state-of-the-art building marks Confluent’s first ground-up development in the state of Arizona and the first joint venture between the project partners.

In response to the booming industrial development market across the sunbelt states, the partners redeveloped and expanded an existing, vacant grocery warehouse into 225,000 square feet of industrial and distribution space, specifically designed to accommodate multiple large tenants. Ideally situated as a central hub, the site is directly adjacent to Sky Harbor International Airport, one of the busiest airports in the nation. The deal validates the attractiveness of the asset class in this region to both distribution tenants and investors as the industrial market continues an upward trajectory.

“HUB 317 signifies the strength of not only the industrial class and the Phoenix market, but also the partnership we developed with DPC to get this project done,” said Marshall Burton, president and CEO of Confluent Development. “The timing of this sale is particularly unique, as the world and economy recover from the pandemic. While other asset classes remained dormant throughout the past year, industrial showed no signs of slowing down. This deal signifies the start of new era of heightened confidence and interest in industrial development, and we are well-positioned to capture this demand.”

Located at 317 South 48th Street, the building features a contemporary design with 32-foot clear, efficient column spacing, ceiling/stacking height, drive-in and dock-high loading, and direct access to Highway 143, with immediate connectivity to the Phoenix metro area. The project completed construction in summer 2018.

“Our strategy for HUB 317 was to capitalize on prime real estate that had been unused and outdated, by transforming the space into a property that will accommodate the surge in demand for industrial we were experiencing and saw coming back in 2018,” said Chris King, president and CEO of DPC Companies. “This is a standout, top quality industrial venture for our team, our partnership with Confluent Development and the greater Phoenix market. To see this project through this lifecycle, from redevelopment to point of sale, has been extremely rewarding.”

Cushman & Wakefield serves as the leasing agent and broker for the sale. Ware Malcomb served as the architect on the project.