

# ATLANTA BUSINESS CHRONICLE

## BEST IN ATLANTA REAL ESTATE AWARDS INDUSTRIAL DEAL OF THE YEAR

### Record completion time earned Core5 1Msf Saddle Creek lease

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Record completion of a more than 1-million-square-foot logistics center earned Atlanta-based **Core5 Industrial Partners LLC** a lease with a third-party logistics provider working on behalf of Lowe's.

Core5 Industrial Partners inked a full-building, 1.2-million-square-foot lease with Lakeland, Fla.-based **Saddle Creek Logistics Services**, the metro area's largest industrial lease of 2018 and the winner of the Industrial Deal of the Year in Atlanta Business Chronicle's Best in Atlanta Real Estate Awards.

Southwest 85 Logistics Center is located on a 109-acre site at Exit 51 on Interstate 85 in Coweta County in the I-85/Southwest Atlanta industrial submarket.

Saddle Creek, which provides supply chain services for retailers, manufacturers and e-commerce companies, is using Southwest 85 Logistics Center to distribute appliances for Lowe's.

**Lisa M. Ward**, Core5 senior vice president and managing director, negotiated the deal on behalf of the developer. Saddle Creek was represented in lease negotiations by **Dave Watson**, senior managing director in the Atlanta office of **Newmark Knight Frank** (NKF), and Ladson Montgomery, of Newmark Phoenix Realty Group in Jacksonville, Fla.

Southwest 85 Logistics Center is well-located, according to Ward.

"Located less than two minutes from Exit 51 on I-85, the property provides outstanding access and interstate frontage visibility, coupled with easy proximity to metro Atlanta's population base," she said.

"We have also found the responsive, pro-business environment of Coweta County, coupled with the strong, targeted labor pool offered in the surrounding area, to be a tremendous advantage for Core5, and ultimately our customer, Saddle Creek."

In third quarter 2016, Saddle Creek



Southwest 85 Logistics Center, Core5 Industrial Partners



enlisted the services of Newmark to search on behalf of Lowe's for 850,000 square feet, according to Watson.

To accommodate Lowe's growth, Saddle Creek sought to open a new appliance distribution and storage facility in southwest metro Atlanta. The location needed to be close to Saddle Creek's existing Atlanta campus at 4475 South Fulton Parkway, west of **Hartsfield-Jackson Atlanta International Airport**.

At the time, an 873,000-square-foot building named Core5 Logistics Center at Shugart Farms was under construction in the area to be finished in early 2017.

NGKF shortlisted this location as part of its preliminary market survey, as well as four other facilities, Watson recounts, with Shugart Farms identified as the frontrunner.

"Despite 43 days of documented rain delays, Core5 delivered the building in a record-breaking 107-day time frame," Watson said. Per the lease agreement, Core5 delivered half the building on July 13, with the remaining portion released to Saddle Creek on Sept. 11, 2018.

At this point, Saddle Creek suggested that

the Core5 team, along with legal counsel, fly down to its headquarters in Lakeland, Fla., to finalize the deal. The deal was ultimately put on hold for multiple business reasons.

"We were so close," Watson recounts. "The documents were literally on the desk for Lowe's and Saddle Creek to sign, and then they said 'no, we are going to put this on hold.'"

Sixty days later, Core5 signed a full-building lease with Duracell that took Shugart Farms off the market.

Twelve months later, Saddle Creek began a revised search on behalf of Lowe's. The location needs were the same, but the space requirement had grown to 1.3 million square feet, with an anticipated occupancy in mid-2018.

Core5 came forward with Southwest 85 Logistics Center. At one million square feet, expandable to 1.2 million square feet, "The building was an ideal location and the perfect fit from a size standpoint for the revamped requirement," Watson said.

At this time, though, Core5 only had 80,000 square feet of slab in place and a permit for a 1-million-square-foot building. There were a number of buildings in the submarket much further along in the construction process.

Thanks to having worked together on the previous Shugart Farms deal, though, Core5, Newmark and Saddle Creek had developed an excellent working relationship, according to Watson.

"Saddle Creek believed that Core5 both talked the talk and walked the walk," he said, "And they felt comfortable moving forward on the [85 Logistics Center] deal."

The looming question for Saddle Creek, though, was whether Core5 would be able to deliver the building on time, meeting the schedule for its client.

And deliver they did. "Core5 went above and beyond to ensure the project was delivered to Saddle Creek on time, and met all client requirements," Watson said.