California Investor Buys Sun Belt Industrial Portfolio Partly Leased to Amazon

Preylock Holdings Pays $167 Million for Three-Building Package

Preylock Holdings of Los Angeles paid $166.7 million for a portfolio of industrial buildings that includes Crossroads Business Center near Atlanta. (CoStar)

By Tony Wilbert
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A Southern California investor has acquired a package of three newly constructed net-leased industrial buildings in the Sun Belt, two of which are leased to online retail giant Amazon.

Preylock Holdings of Los Angeles paid $166.7 million, or nearly $76 per square foot, for the 2.2 million-square-foot portfolio. The portfolio includes Crossroads Business Center,

a 1 million-square-foot distribution center at 5705 Campbellton Fairburn Road in Union City, Georgia, near Atlanta.

The other two buildings are in the DeSoto 55 Logistics Center in Horn Lake, Mississippi, near Memphis, Tennessee, comprising DeSoto 55 Building A2, a 328,355-square-foot warehouse at 1453 Commerce Parkway, and DeSoto 55 Building D, an 860,915-square-foot warehouse at 1615 Commerce Parkway.

The seller of the portfolio was developer Core5 Industrial Partners of Atlanta, according to a press release from JLL, which represented Core5 in the deals.

Amazon leases the entire Crossroads Business Center building and DeSoto Building D, according to CoStar data. Toshiba America Business Solutions leases DeSoto Building A2, CoStar records show. The three buildings were completed last year.

Preylock Holdings acquired the DeSoto 55 Logistics Center near Memphis, Tennessee. (CoStar)

The portfolio sale exhibits continued appetite among investors for industrial buildings leased to financially strong e-commerce companies such as Amazon.

Late last year, global institutional investor KKR paid $73.1 million, or $72.94 per square foot, for a warehouse with just over 1 million square feet of space at The Cubes at

Bridgeport in Coweta County, Georgia, southwest of Atlanta. When KKR closed on that deal, its listing broker said the firm was seeing an "all-time high in investor interest from all buyer groups for quality core industrial opportunities."

In the past two years, Preylock, which was founded in 2016, has acquired other large industrial buildings leased to Amazon.

In 2019, Preylock paid $110 million, or about $129 per square foot, for 6001 E. Tropical Parkway, an 855,000-square-foot distribution center leased to Amazon in North Las Vegas, Nevada.

The buyer's "willingness to be aggressive in both price and transaction structure demonstrates the continued demand for core industrial product," Dennis Mitchell, part of the JLL team that represented the seller, said in a press release. "This complicated transaction progressed from term sheet to closed in under 45 days, which is a credit to the quality of Core5 Industrial Partners, Preylock and all involved."

Preylock did not immediately respond to an email request for comment.

For the Record

In addition to Mitchell, JLL Capital Markets brokers Matt Wirth, Britton Burdette, Jim Freeman and Mitchell Townsend represented Core5 in the transaction.