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Apparel company pre-leases Tejon 'spec' warehouse

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Lebec-based Tejon Ranch Co. joined its Southern California-based development partner, Majestic Realty Co., Thursday in announcing the pre-lease of a 446,000-square-foot industrial facility at the Tejon Ranch Commerce Center. It will be occupied by Sunrise Brands, a designer, producer, distributor and retailer of branded and private-label clothing. This image shows a similar facility built recently at TRCC.

Photo courtesy Tejon Ranch Co.

Tejon Ranch Co. kicked off the new year with an announcement Thursday that one of its partnerships is bringing a clothing company from Southern California to fill a large warehouse already set to start construction within about a month at Interstate 5 and Highway 99.

Sunrise Brands' lease of a 446,000-square-foot distribution center — right next to an even larger warehouse that also launched as a speculative development then filled up prior to completion —

brings to 2.5 million square feet the amount of industrial space under construction or planned for it this year at the Tejon Ranch Commerce Center.

Tejon's news reinforces Kern's rising status as a hub for distribution work. It contrasts the hot industrial market with recent cooling in other local real estate categories, recalling long-held expectations that the county's warehousing industry would boom beyond just Shafter.

“The fact that it was leased prior to construction even beginning is evidence of the continued strength of the market, as well as the many advantages found with TRCC’s strategic location, building amenities and direct access to an outstanding labor pool,” Executive Vice President Brett Tremaine at Majestic Realty Co., the City of Industry-based developer Tejon is partnering with to build the warehouse, said in a news release Thursday.

Other reasons came up in an accompanying statement by Derek C. Abbott, executive vice president of real estate at Tejon Ranch.

“The pro-business approach of Kern County government, coupled with our substantial inventory of already entitled industrial space, gives us the ability to be flexible — and move quickly, as we’ve been able to do with Sunrise,” he stated.

“All of this further enhances Tejon Ranch’s established reputation as a proven and opportune place for companies wanting to locate or expand in California,” Abbott continued.

The new tenant, based in Vernon, designs, produces, distributes and retails branded and private-label clothing. The plan is to consolidate its Los Angeles-based operations into the single facility at TRCC. Until

the space is ready, Sunrise plans to take up temporary occupancy in 480,000 square feet in building also occupied by Salon Centric, which is part of L'Oreal.

Kern's industrial land market has been gaining momentum in the last couple of years with speculative development on the rise and a growing list of big projects and bigger tenants. The frequent explanation is that Kern has room at a time little can be found at a reasonable price in Southern California.

Tejon Ranch has worked to address potential tenants' concerns about labor availability in the area by proposing homes and apartments for people working in the area. The company's housing projects are in different stages of development; rentals are expected to open before for-sale units.

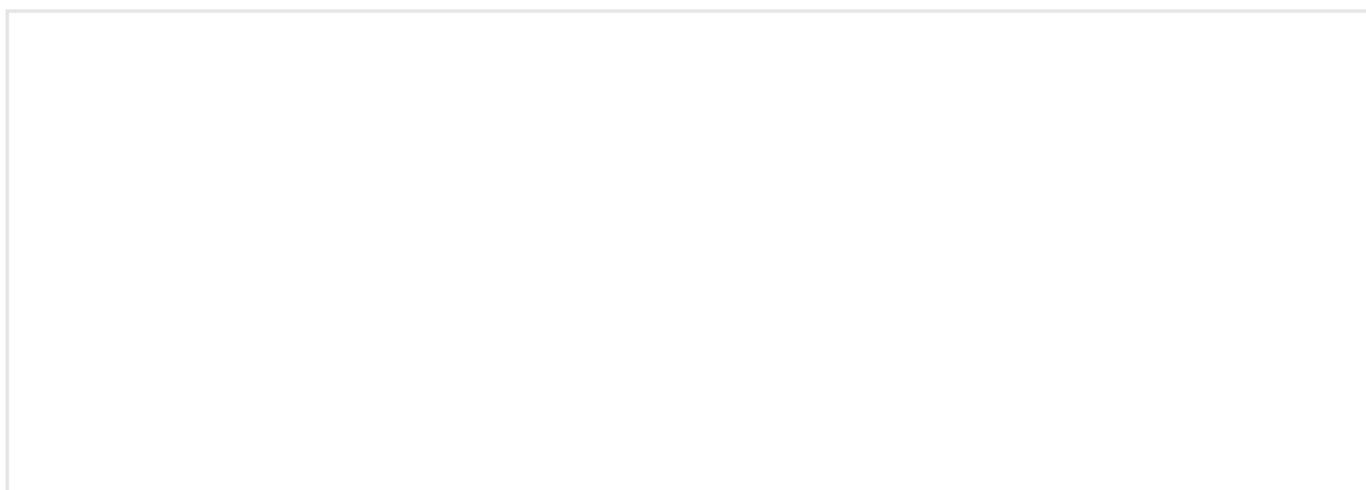
Also at play is the geographic expansion of Kern's logistics industry. Shafter continues to see the most development, but 15 minutes to the east is Amazon's

giant distribution plant in Oildale. Half an hour south of that is TRCC, which has hosted distribution work about two decades.

The Mojave Inland Port approved last year will bring shipping containers from the ports of Long Beach and Los Angeles, extending if not pulling the county's warehousing industry eastward.

Last year, a confidential buyer purchased 58 acres at TRCC for a planned 725,000-square-foot distribution facility, and a Los Angeles-based developer bought 12 acres for a 240,000-square-foot speculative industrial building that started construction in September.

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