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Industrial market full of opportunities

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Salem Vision 2020 is a forward-looking strategy to build the Cherry City into the best metropolis that it can become over the next 12 to 13 years. Dreams are on the table for discussion in neighborhood brainstorming meetings this month. Investors are looking to the city as an area of growing prosperity and a potential source for substantial return on investment.

Progress surrounds us at the Oregon Association of REALTORS® new state headquarters in Salem. Newly constructed office buildings line Mission Street where a billboard promotes upcoming one-stop air travel from Salem to Paris. Dreams are springing to life around the city in the form of new venues and earth-friendly multi-use developments. With all of the excitement surrounding Salem revitalization, many will want to participate in the business ventures this will afford. Salem is poised to evolve into a progressive urban center and to get there private real estate investment opportunities will grow, too.

Commercial and industrial development play a crucial role in improving the community's overall quality of life by providing necessary services to the residents and businesses, by contributing to the community's tax base and providing employment to local residents. Urban revitalization, population growth forecasts, convenient freeway and rail access and the city and state's conscious efforts to improve Oregon's national and global competitiveness ensure an expanding market for commercial and industrial square footage in Salem.

Salem's Urban Development Department offers matching small business restoration grant programs, revolving loan funds, low-interest loans and other resources for investors. For example, firms located within the boundaries of the Enterprise Zone may be eligible to receive a property tax exemption to encourage the creation of new industrial and manufacturing jobs for the community. The Urban Renewal Agency is working to stimulate private development and redevelopment in many areas: Fairview Industrial Park, 347 acres in Southeast Salem; McGilchrist Street SE, 403 acres west of Salem Municipal Airport; Mill Creek Industrial Park, 600 acres located in Southeast Salem expected to generate \$400 million in private investment and to create over 5,000 new jobs; North Gateway, 928 acres in the northern portion of Salem; Pringle Creek, 89 acres near downtown; Riverfront Downtown, 290 acres integrating commercial and residential opportunities; South Waterfront, a mixed use redevelopment; and West Salem, 453 acres ready for "job-producing private investment."

Beyond urban renewal, state Certified Industrial sites

(www.oregon.gov/ECDD/CD/certsites.shtml) streamline the site selection process for

new industrial developments which can stimulate rural and distressed areas. Sites certified by the state Community Development Department have correct zoning, approved environmental assessments, utilities in place (or planned), topography suitable for construction, access to an interstate or major highway and have met many other requirements. Lowe's, the world's second-largest home improvement retailer recently selected a certified industrial site in Lebanon, Oregon for a new 1.4 million square feet distribution facility, roughly the size of 31 football field under one roof. OregonProspector.com has a land inventory of certified industrial sites. Gaffin Road, 79 acres for sale in Salem, is one local example.

Two major trends reported in the Oregon urban development journal *Center for Real Estate Quarterly* point to more opportunities in 50-acre plus industrial property as an asset class. First, strategic location for cost-effective distribution is a competitive advantage for major companies and Salem offers gateway access to the U.S. and global markets via a multimodal transportation system including land, water, rail and air. Second, enhanced inventory tracking methods and the further automation of warehouse facilities require bigger buildings with higher ceilings. Salem has large areas of developable land and allows industrial facilities to reach up to 70 feet in height, making it viable for new construction with the "bigger is better" maximum efficiency aim.

With vision comes opportunity. An investment in industrial real estate is an increasingly interesting way to diversify a well-balanced portfolio. From small local companies to multi-national corporations, private investment in the Salem-area industrial real estate sector will be a vital part of the city's future. Getting started is as easy as contacting a REALTOR® specializing in commercial property. Visit the Commercial Association of REALTORS® website www.orcar.org or call them at 503-226-4545.

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