

# Diversification is next move for Davis Property

By JEANNE LANG JONES  
STAFF WRITER

After establishing itself as a player in the South King County industrial market, Kent-based Davis Property & Investment is eyeing opportunities to diversify its services and portfolio of properties.

Founded in 1998 by Jeff and Bill Davis, the firm in the past six years has bought \$17.42 million worth of property, completed \$35.1 million in development and sold \$9 million in assets. The firm, which has five employees, currently has seven properties in its portfolio. Davis Property serves as its own property manager, overseeing approximately 671,000 square feet of leased space. The firm also provides commercial development and investment services.

One result is tenant referrals have played a key role in helping the firm make new leasing deals, Davis said.

In 2002, the company bought a portion of the Fisher Properties Inc. portfolio in Kent where its headquarters are now located. Renamed Davis Commerce Center, the property includes five buildings totaling 171,386 square feet on 10.2 acres.

"We continually look for more opportunities on the acquisition and development side," Davis said. "And we also have begun to focus more of our energy not only on property management for third parties but also third-party fee development."

That's where companies can hire Davis Property to acquire and develop property

on their behalf. Development for hire is has been increasingly popular as companies take advantage of low interest rates to purchase their headquarters. By hiring a third-party developer such as Davis Property, these companies can remain focused on their core business.

As part of Davis Property's growth plan, Davis also expects to become more aggressive in selling the firm's property-management service to other landlords.

His pitch?

"As an owner managing our own assets, we have an understanding of the other side of the table — what the owner's desires are, their goals," Davis said. He believes his firm's knowledge of the South King County industrial market will give it

an edge in gauging how aggressive to be in setting rents.

The firm's rapid growth has also been spurred by its decision to be an early player in the Sumner market. Davis Property currently is developing the 60-acre Valley Distribution Center, which will have five buildings totaling 600,000 square feet of light industrial and office space when completed.

Besides offering its property management and development services to other companies, Davis Property will be looking for retail projects at which to try its hand. Small regional strip malls and other small retail centers will be of particular interest, Davis said.

Contact: jj@bizjournals.com • 206-447-8505x118



DAVIS PROPERTY PHOTO

**Jeff Davis co-founded the development and real estate investment firm.**

Co-founder Jeff Davis credits much of the firm's rapid growth to its sharp focus on tenants early on.

"When we first started as a company, we spent a lot of time really focusing on getting to know our tenants, making sure they were happy and felt they had a fair deal," said Jeff Davis. "That really paid off when the economy turned."

Despite the drop in occupancy across the Puget Sound area during the recent recession, Davis said the firm never had vacancies rise above 2 percent. It's also helped that the firm operates its own landscaping and maintenance services, so properties are well-maintained and repairs are quickly made.



DAVIS PROPERTY & INVESTMENT

39

*Kent*  
Industrial, office  
development and property management

Fiscal year	Total operating revenue	No. of employees
2003	\$3.69M	5
2002	\$2.59M	5
2001	\$1.68M	5