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## Kent real estate draws big-time interest

by **Steve Hunter**

A large Portland, Ore., real estate company has purchased its second industrial park in two years in the Kent Valley.

Officials for Harsch Investment Properties on Tuesday confirmed the company had purchased for \$7.5 million the 113,045-square foot Furniture Factory Direct building at the northwest corner of the East Valley Highway and South 196th Street.

“The Furniture Factory Direct building is our second acquisition in the past 12 months in the Kent Valley market and further entrenches our commitment to the area as a wonderful place for real estate investment,” said Jordan Schnitzer, president of Harsch Investment Properties, in a prepared statement.

In 2007, Harsch acquired the multi-tenant Century Commerce Center, an eight-building, 150,000 square-foot facility at 20021 80th Ave. S., just a half mile from the most recent purchase.

The single-story building along South 196th Street is 100 percent leased to Furniture Factory Direct, which has used the site for three years as a primary Pacific Northwest distribution center. Furniture Factory Direct, which will remain the sole tenant of the building, has retail outlets in Tukwila, Tacoma and Everett.

The 4.78-acre site is within a half mile of two freeway interchanges for State Route 167. The property serves the Port of Seattle and the Port of Tacoma.

“This speaks to the strength of the real estate market in the Puget Sound region,” said Ben Wolters, city of Kent economic development director. “There are going to be a lot of purchases and sales of industrial property, and this is one investment group selling to another investment group.”

Harsch also announced Tuesday the purchase of the 126,000-square-foot Kenyon Industrial Park in Seattle’s South Park area near Highway 509 and

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## Highway 99.

“Both of these properties (in Kent and South Seattle) offer a rare combination of high visibility, excellent access and proximity to key markets and we are excited about offering our new tenants the same excellent services that Harsch is known for in the Puget Sound area,” said Rob Aigner, senior vice president and Seattle regional manager for Harsch Investment Properties.

“We could have not done these transactions without the strong and valued relationships we have with the Puget Sound brokerage community and we continue to actively look for additional investment opportunities of all types, especially in industrial, office and retail properties as well as land for development.”

The Kent Valley remains a strong industrial market because the Port of Seattle and Port of Tacoma combined form the fourth-largest container load center in the United States, according to a Harsch media release. Container volumes are expected to grow by 120 percent over the next 12 years, which creates demand for modern industrial space in the Kent Valley as well as South Seattle.

“A lot of national real estate observers rate the Seattle metro area as one of the best areas to invest in 2008,” Wolters said. “We’re going to see a lot of transactions as real estate companies buy and sell to realize their own goals for their investment groups.”

Based in Portland and founded in 1950, Harsch Investment Properties has regional offices in Seattle, San Francisco, Sacramento, Las Vegas and San Diego. The company owns and operates 21 million square feet of office, industrial and retail properties in five Western states. The firm added \$337 million of acquisitions and development projects in 2007 and expects similar results in 2008.

Davis Property and Investment, of Kent, sold the Furniture Factory Direct building to Harsch. Davis bought the property three years ago for about \$5 million.

“We’re happy with the value and the appreciation we developed there,” said Jeff Davis, co-founder of Davis Property and Investment. “It was 100 percent empty when we purchased it and we were able to secure Furniture Factory Direct as a tenant.”

Davis said they purchased the property when the market was a bit slow, before it picked up momentum. He said having a solid tenant with a few more years on the lease also helped increase the sale price.

Davis Property and Investment, founded in 1998, manages more than \$120 million in real estate assets in Washington and Oregon. The company owns the Davis Commerce Center on South 228th Street.

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