

## BUSINESS

# 3-building warehouse development in Blaine worth \$35 million

The speculative project shows continued robust demand for industrial space in the Twin Cities.

By Dee DePass | JUNE 18, 2021 — 10:45AM

A Canadian real estate development firm has broken ground on the first of three buildings that will make up a \$35 million speculative industrial complex in Blaine.

Winnipeg-based Artis REIT is constructing the three Class A buildings on vacant land in Blaine, just northwest of I-35W and 85th Avenue/County Rd. J.

The three structures, known as "Blaine35," will have combined space of about 317,400 square feet.

Crews broke ground on the first building earlier this month. When done, it will have 32 foot ceilings and 118,500 square feet.

Last month, the Blaine City Council approved roughly \$2.7 million in tax increment financing to help the project move forward.

CBRE has been hired to market the property, which is the latest in a number of speculative industrial building projects to hit in the Twin Cities in recent months.

While the pandemic has disrupted the U.S. office market, demand has skyrocketed for product warehouses, distribution hubs and logistical sorting centers due to the swell of online shopping and home delivery trends.

"We continue to see elevated levels of industrial demand in the market," said CBRE Senior Vice President Dan Swartz. "Speculative developments like Blaine35 allow Minneapolis [and its suburbs] to attract more industrial users that need to expand quickly to respond to unprecedented demand."

According to a recent CBRE Report, the Twin Cities metro has 2.5 million sq. ft. of industrial space under construction that is expected to be completed this year.

Earlier this month, Chicago developer Clayco and its CRG unit announced plans to build a 1-million-square-foot speculative distribution center near French Lake in Dayton.

Last week, United Properties broke ground on five industrial facilities in three cities: Brooklyn Park, Burnsville and Inver Grove Heights.

Also in May, Toronto-based WPT Industrial Real Estate Investment Trust paid \$12 million to buy 40 acres in Shakopee with plans to build a large speculative warehouse.

In February, Minneapolis-based spray and pump maker Graco bought 100 acres of land in Dayton, to build a 500,000-square-foot factory and warehouse.

CBRE officials said they expect the demand for industrial space to continue rising.



ARTIS REIT

Renderings of the Blaine35 project by Artis REIT were unveiled at ground breaking in Blaine where three industrial buildings will