

Barstow seeing uptick in commercial activity

Brokers' marketing efforts target hotels, prospects for Yellow Freight facility

December 4, 2016

By Mike Lamb

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BARSTOW — Joseph Brady is bullish on Barstow.

So is Jason Lamoreaux. Both commercial real estate brokers have worked extensively in marketing High Desert property. And both say they are seeing positive signs that Barstow is on the rebound.

“We are very bullish on Barstow,” Brady said Thursday. “Not only am I bullish on Barstow, my partner, Malcolm Riley, is increasingly bullish on Barstow.”

Brady is president of the Bradco Companies and Riley is president of Los-Angeles based developer Malcolm Riley & Associates. They combined forces in 2013 to present the Spanish Trail Specific Plan to the Barstow City Council. The development of 112 acres will include an 801,100-squarefoot shopping center that will be located along Avenue L.

Approximately 58 acres in the project site is owned by the State Lands Commission and the Bureau of Land Management. BLM is transferring its land to the State Lands Commission. Brady reports that negotiations to determine purchasing and/or leasing terms with the State Lands Commission are progressing.

Meanwhile, Brady is working to market the former Yellow Freight facility on Lenwood Road.

“We believe it’s time for that site be developed,” Brady said. “We have done some preliminary site plan work that shows we can get an additional 800,000 square feet of industrial and logistical space on the property over time.”

Lamoreaux says activity in the entire High Desert is picking up, but he particularly likes what he’s seeing in Barstow.

“We have seen a significant increase in Barstow industrial product,” Lamoreaux said Thursday.

While vacancy numbers have dropped, Lamoreaux said potential clients are looking for inventory around 5,000 to 50,000 square feet. He said inventory in that range is “extremely tight.”

Lamoreaux said Barstow has 1.1 million square feet of industrial space with a 15.7 percent vacancy rate. A total of 175,000 square feet is vacant, but the Yellow Freight facility accounts for 113,000 square feet of that total.

Meanwhile, Lamoreaux is impressed with the retail space development, especially in the Lenwood area.

“Oggies, Panera Bread, Asian food court. We also have heard Habit burger is coming. And West Main Street is starting to get some activity. There’s an uptick in the retail market,” he said.

Which is all good news for the City of Barstow.

“Commercial development in Barstow has noticeably improved over the second half of 2016 as the effects of the slow recovery from the Great Recession have finally begun to benefit our community,” Gaither Loewenstein said Wednesday. He is the economic development and planning manager for the city.

“Construction of a 63-room Best Western Plus hotel in the Lenwood area is currently underway, with a 106-unit Hilton Home2Suites hotel to follow shortly thereafter. The Habit, a rapidly expanding regional gourmet hamburger chain, has had plans approved for a new restaurant slated to occupy the former Harvey House restaurant location on Serrano Way; demolition of the existing structure will commence in late 2016 with completion of the new facility scheduled for summer 2017.

“Black Bear Diner has opened a new restaurant in the TA Truck Stop on Lenwood Road and has been doing tremendous business since opening in early November. Along the Main Street/ Route 66 corridor, plans for a Fairfield Inn hotel are expected to be submitted in early 2017 and a national retail chain will be announcing a store opening within a matter of weeks.”

It's that kind of activity that has helped inspire Brady to heavily market the Spanish Trails Specific Plan to hotel owners. He said he has sent out market packages to the top 50 hotel owners.

“We have identified who they are and put them in a database. We believe hotel development will make it competitive and even better,” Brady said.

Recent activity along Main Street in the past six months has involved small and large developments. Choice Medical held the grand opening of its Santa Fe Plaza facility located on West Main in October. And work continues on the Super Wal-Mart located on East Main Street. It's expected to open in May.

The Entrepreneurship Center is a smaller project on West Main Street and will be completed in January.

“Although residential and industrial development have not kept pace with retail, hotel and restaurant growth in Barstow, a recent increase in inquiries to the Economic Development Office, visits to the community from manufacturers' representatives and meetings with local Realtors and property owners provides grounds for optimism that the long dormant local industrial market may be showing signs of life,” Loewenstein said.

Lamoureux agrees. Despite the lack of sufficient inventory in industrial space, he said developers will eventually be willing to invest in new structures, especially in the city's industrial park.

“I do know price has been a challenge. But I know the city of Barstow is aggressively working on bringing development to that area. And I think they will be successful,” Lamoureux said. “Most of the development in the future will be along West Main Street.

East Main Street has been developed out. We will start seeing more development moving West.” —Mike Lamb can be reached at 760-957-0613 or mlamb@desertdispatch. com. You can also follow him on Twitter @ mlambdispatch.