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## Rockwell expansion more than doubles distribution space

Premium content from Memphis Business Journal - by Andy Ashby

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Rockwell Automation Inc. has more than doubled its Memphis distribution operations, taking full occupancy of a Southeast Memphis industrial property, according to a CoStar Inc. report.

The deal shows a continued resilience in Memphis' industrial real estate market during a challenging economy.

The Milwaukee-based company was leasing 76,049-square-feet at 4020 Quest Way, but has expanded to take over the entire 212,098-square-foot building.

The company, which provides industrial automation power, control and information systems, is taking space formerly occupied by [Schering-Plough](#), a subsidiary of pharmaceuticals company Merck & Co.

Executives at Rockwell Automation would not comment for this story.

CB Richard Ellis Memphis vice president **Patrick Burke** represented Rockwell Automation in lease negotiations. He declined to comment for this story.

Space Center Atlanta Inc. owns the 212,098-square-foot building at Memphis Distribution Center, at the northwest corner of Raines Road and Hickory Hill Road.

Locally, the company also owns 262 Marathon Way in Southaven and 601 Expressway in Horn Lake.

[Commercial Alliance Management](#) LLC senior vice president **Mark Jenkins** and broker **Phil Dagastino** Jr. represented the landlord.

"In today's environment when there's uncertainty in the economy, it's hard for companies to determine what the space needs are," Jenkins says.

That makes tenant retention even more important in today's commercial real estate world, according to Jenkins says.

"When you have one which not only renews, but expands, it's a win-win for everybody," he says.

Xceligent Inc. lists the Quest Way building, built in 1998 with 28-foot clear heights, as Class A bulk warehouse space.

The overall industrial market numbers for Memphis, including all property types and classes, showed a direct vacancy of 13.4 percent, an average rental rate of \$2.86 per square foot and quarterly net absorption of positive 311,706 square feet.

**Nick Fussell**, regional director for Xceligent, is currently reviewing the fourth quarter projections.

"It looks like, based on the numbers we have so far, that we're going to have positive absorption for the year and positive absorption for the quarter as well," he says.

In 2007, Rockwell Automation relocated its local office operations to 3,400 square feet in the Oak Ridge Building at Koger Center, now known as Germantown Park.

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