

Philadelphia CRE company buys its first Twin Cities industrial properties



By [Caitlin Anderson](#) – Reporter, Minneapolis / St. Paul Business Journal | Oct 4, 2023

A Philadelphia-based commercial real estate firm has entered the Twin Cities market with the purchase of three light industrial buildings spanning 361,428 square feet.

Arden Logistics Parks announced Wednesday the portfolio acquisition, which includes the Flying Cloud Business Centre in Eden Prairie and two buildings that are part of the Oakview Business Centre in Eagan. The combined sale price was not disclosed, and a public filing denoting the transaction has not yet been made available.

Arden's arrival in the Twin Cities is part of its broader plan to expand into new markets, the company said.

A logistics real estate company, Arden specializes in light industrial business parks and has a current portfolio of properties across nine other U.S. markets, including Philadelphia, Atlanta and Dallas.

The 204,000-square-foot Flying Cloud Business Centre, located at 6533 Flying Cloud Drive, is situated near the cross-section of Highway 62, Highway 169 and Highway 212 in Eden Prairie. With 24-foot clear height, the Class A warehouse is currently 100% leased and has remained so for the past several years, according to the press release.

Built in 1996, that 16-acre property has an estimated market value of \$25.3 million, as assessed in 2023, according to Hennepin County property records. The previous owner is identified as Flying Cloud Bus Centre Inv, county records show.

Buildings I and II at the Oakview Business Centre campus span a combined 157,428 square feet, according to the press release. The campus is 96% leased to 10 tenants. The previous owner of both properties is identified in county records as Oakview Eagan Investors LLC, [which is managed by a Hartford, Connecticut-based real estate investment trust tied to Zürich-based UBS.](#)

The previous owners identified for both the Flying Cloud and Oakview business centers have the same post office box address in Carlsbad, California.

The first building in the Oakview campus, located at 1284 Corporate Center Drive in Eagan, was built in 1985, according to Dakota County property records. It spans 6.8 acres and has an estimated market value of \$6.5 million, as assessed in 2023, county records show.

Also built in 1985, the campus' second building is located at 1325 Eagandale Court. The 5.8-acre property has an estimated market value of \$4.7 million, as assessed in 2023, according to county records.

Combined, the estimated market value for the portfolio totals \$36.5 million, county records show.

The assets were desirable in part because of the limited supply of such space available in those locations, said Christian Vergilio, director of acquisitions for Arden Logistics Parks.

Direct vacancy rates in the metro industrial market are rising, having increased to 3.7% in the third quarter, representing a significant uptick from the previous quarter, [according to a recently released report by Colliers.](#) But those high vacancies are more prevalent in cities in the periphery of the metro, like Woodbury, Shakopee and Cottage Grove, which have also seen a surge in new development since the pandemic, the report said.