



Daily Press, Newport News, Va.

Investors scoop up Hampton building

A Boston investment firm now owns three distribution buildings at the former Gateway campus.

[BY CHRIS FLORES](#)

August 15, 2007

HAMPTON

The company that bought the two main former Gateway Computer buildings in Hampton have purchased another nearby warehouse.

Boston-based High Street Equity Advisers paid \$10.5 million to Taurus Investment Holdings for a new 180,000-square-foot warehouse that will be marketed for distribution. The building, which was completed last month, is at 200 West Park Lane.

The purchase is another bullish signal that commercial real estate investors believe Hampton Roads still needs to add distribution space to serve the region's growing port. The addition of the site to High Street's other two Gateway buildings also raises the possibility of adding a large tenant that would require all three buildings.

More speculative distribution buildings are slated to open in Hampton Roads throughout the year. Bob Murray, High Street senior vice president of asset management, said there may be some extra supply of warehouse space by the end of 2007, but it will be absorbed as Maersk continues to grow. Maersk's new container terminal in Portsmouth received its first ship on Friday.

"We don't think there's too much," said Murray.

The market will need 15-20 million square feet of distribution space over the next 20 years, said Murray. High Street liked getting control of a major parcel by adding the new warehouse, which is across the street from the former Gateway buildings.

High Street paid \$32.2 million in June 2006 for the Gateway buildings, which have 515,000 square feet. Gateway has been locked into a long-term lease for those buildings that runs through 2011, making the computer maker still responsible for subleasing the buildings. High Street gets paid whether they are empty or full.

Distribution firm NYK Logistics was paying Gateway to lease the facilities, but NYK moved to a smaller site in Chesapeake in June. With nearly 700,000 square feet of space now available, High Street feels it has plenty of options for tenants.

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