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STRATEGY: Businesses find advantages to owning space

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When Larry Walshaw started talking to banks about warehouse condominiums, it was difficult to sell the new concept. Luckily, the product didn't have that hang up.

"We sold out months before we finished construction," Walshaw said of his first building on St. Augustine Road, which was finished in August last year. Walshaw said his office-park style buildings offer small or new businesses an alternative to leasing. "I quickly realized I had something exciting."

Though in the beginning he had to put up much of his own money to start Warehouse Condos USA, he now has built nearly half-a-million square feet of condo warehouse space in Jacksonville.

"You have much more flexibility owning your own building," Walshaw said. "That's what this is about: control -- you control your own destiny."

Space cost about \$118 per square foot and building owners pay a monthly fee based on their amount of space to cover building maintenance costs, Walshaw said.

With his first project a success, Walshaw began building another and now has eight locations in South, East and West Jacksonville.

He got the idea to sell building space during his 20-year career as a commercial real estate broker in Jacksonville. "I continually had small businesses call me about space they could own," he said. "There was never anything out there."

With ownership comes all the benefits of appreciation and tax write-offs, Walshaw said.

When Jennifer Porter's home-based business outgrew her home about a year ago, she decided to buy at Walshaw's Greenland Business Park on Columbia Park Drive.

"We wanted the value and not having to pay rent," said Porter who owns The Candy Lady with her husband, Jim Porter. "We figured, in the long run, it will save us money."

Her company sells candy to groups who then sell the products for fund-raising, she said. Some of her most popular items, including the cinnamon pecan swirl cookie dough, mini deep dish pizzas and buttery pastry dough braids, are all frozen products. "We had to install a very huge freezer that was very expensive," she said.

Doing this in a lease space just wasn't an option, Porter said. Before buying her space, she used an industrial warehouse which charged each time she needed to pull a product. "It was very expensive," she said.

Plus, Porter only had access to her products when the warehouse was open. "We can be at our warehouse at 2 in the morning if we need to," she said. "It allows us to serve our customers better."

Owners like Porter do their own interior build out, Walshaw said. Some companies, who know they're going to grow, purchase multiple units and rent some of the space out until they need it. "Then they have investment income," he said.

Capturing the majority of the market in Jacksonville is only the first step, Walshaw said. "I plan to take this concept nationwide," he said.

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