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IKEA To Battle Amazon In the Furniture Home Delivery Game

November 08, 2017 Julie Littman, Bisnow Bay Area



Courtesy of DivcoWest and Orchard Partners
Napa Logistics Park

IKEA will soon make it easier to get its assembly-required Swedish-designed furniture straight to customers' front doors. It has leased 646K SF at the Napa Logistics Park in American Canyon and will create a distribution warehouse to deliver online-ordered items and bulky products purchased in stores, the North Bay Business Journal reports. IKEA has one other customer fulfillment center in Baytown, Texas. Both fulfillment centers are expected to open in early 2018.

Online furniture delivery has been an increased focus for many retailers. Amazon said earlier this year it would sell furniture and appliances online for home delivery. Wayfair and Pottery Barn also deliver furniture.

New industrial space throughout the Bay Area is being leased up nearly as quickly as it is built due to demand for more fullfillment centers, advanced manufacturing and food processing. In Napa County, industrial vacancy is about 5.2% as of midyear. In the East Bay, industrial vacancies are hovering around 2%.

IKEA will become the first tenant at DivcoWest and Orchard Partners' Napa Logistics Park. The first phase, which IKEA will occupy, was completed in 2016. The entire Napa Logistics Park will have 2.9M SF of industrial spanning across five buildings. The next phase is expected to begin in spring, according to the North Bay Business Journal.

JLL Senior Vice President Tony Beatty represented IKEA, and Cushman & Wakefield Executive Managing Director Brooks Pedder and Colliers International Executive Vice President Greig F. Lagomarsino represented the building owners.

Find out more about the Bay Area industrial market at Bisnow's NorCal Industrial Surge event Dec. 7 in San Francisco.

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