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Produce companies use broker to find buildings in St. Louis

By Cindy Long

ST. LOUIS — St. Louis' Produce Row historically has — and continues to be — the primary point of distribution of fresh fruits and vegetables for the St. Louis metropolitan area. There are three or four companies on the market that continue to acquire additional space in Produce Row, and the majority of those locations are now owned by those companies.

The smaller or start-up produce companies have been locating their businesses and facilities throughout the metropolitan area. Their buildings typically include the installation of modular coolers because of the lack of available small- to medium-sized temperature-controlled facilities for purchase. Many of the St. Louis' produce companies now offer value-added services that include repackaging or pre-cut operations.

Many of the produce buildings have been leased or purchased with the help of Jim Cronin of Hawk Distribution Services, the country's only organization that specializes in the brokerage of temperature-controlled industrial real estate. While Hawk is based in St. Louis and specializes in that region, it offers its services throughout the United States.

Negotiating a lease is very different for a building required for the produce industry. "This is a



Jim Cronin

whole segment," Mr. Cronin said. "Food is temperature-sensitive. Insurance and taxes are different than on traditional warehouses. The average sell-cycle for this type building is two-and-a-half years."

Hawk was established in 1987 and is owned by Mr. Cronin, who

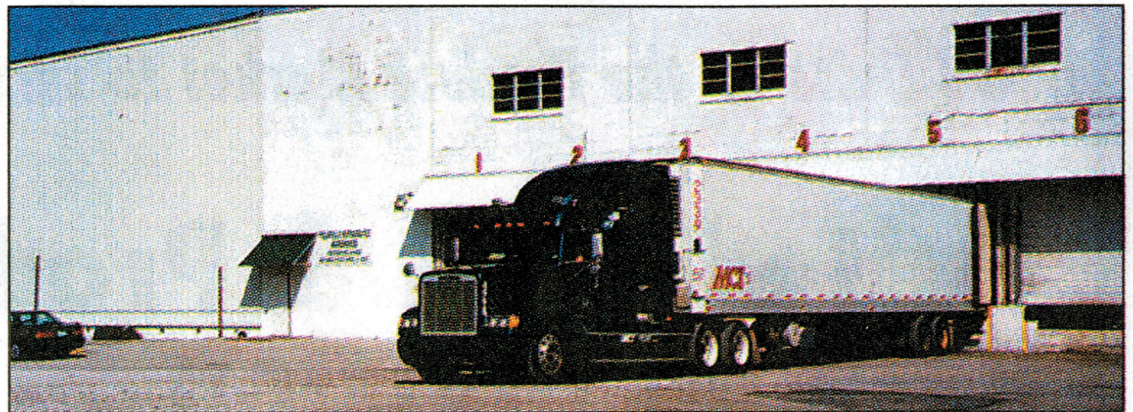
has 20 years of industrial real estate brokerage experience working exclusively with freezer/cooler buildings.

The company offers professional real estate services to owners or officers of wholesale produce companies, growers and food processing companies and anyone who needs refrigerated facilities. It lists buildings for sale, offers buildings for lease, renews existing leases, searches for facilities, negotiates on behalf of building owners or tenants in real estate-associated matters, provides evaluation services

and is available as an expert witness.

The vacancy rate for buildings suitable for the fresh produce industry in the St. Louis area is very low, so as the produce industry in the St. Louis marketplace grows, new facility construction or modification of existing buildings to include the installation of refrigeration will be required to meet those needs.

Some of Hawk's more prominent produce clients include Custom Cuts, Tam Produce and Midwest Best Produce Inc.



Hawk Distribution Services specializes in renting or selling refrigerated warehouse properties, like this one, to produce companies.