

Client: Home Depot Supply

Project: Distribution center site selection and lease negotiations

Location: Hagerstown, MD

Objective: Identify the optimal location for a 400,000 sq. ft. distribution center to accommodate this fast-growing distributor of plumbing supplies, a former division of The Home Depot. The fast-track requirement mandated an existing building, or a facility in the latter stages of construction. Home Depot Supply's goals included:

- Close proximity to its customer base in the Northeast
- Low operating costs
- An existing building with significant expansion potential
- Strong non-union labor environment
- Excellent access to transportation infrastructure

Challenges: Fast-track project, limited to consideration of existing buildings. Requirement for a non-union location in a region known for its strong union presence.

Solution: A logistics analysis directed the client to focus on locations in the I-81 corridor of Maryland and western Pennsylvania. This region offered low freight costs and excellent customer service. Walker examined the region using its WISERsm site selection optimization model and identified all locations with a suitable, expandable building in non-union labor markets that afforded good access to major customers.

Retrofit cost estimates were prepared for the best alternatives. These were married with detailed operating cost projections to provide a complete picture of the capital requirements and operating costs Home Depot Supply could expect in the finalist locations.



Value Added: Walker identified an excellent, fully racked distribution center at the junction of Interstates 70 and 81 in a strong labor environment. Walker negotiated a lease on 400,000 square feet with expansion options on the remaining 424,000 square feet. The racks were acquired from the existing tenant in a separate transaction. A half-million dollar training grant was also secured from the State of Maryland.

The WISERsm analysis, real estate search, development of retrofit and operating cost projections, and lease negotiations were concluded within four months.

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