

Grocery-Anchored Center Brings \$29M

By Daniel D. Williams

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CARLSBAD, CA-Investment activity remains hot in the local retail market. In one of the most recent deals, Los Coches Village, a 67,000-sf grocery-anchored shopping center, traded hands. Westlake Village, CA-based Los Coches Properties LLC paid \$29 million to La Jolla, CA-based Los Coches Village LLC in the deal. The seller represented themselves while the buyer was represented by Irvine-based REZA Investment Group Inc. "The buyer was a strong, long-term investor," says Terry Bortnick, president of REZA Investment Group. The deal was put on the fast track. According to Bortnick, the buyer "aggressively pursued the property (as) due diligence was completed in under seven days and the transaction closed within 60 days." Anchors at the retail center include Henry's Market and Petco. Bortnick says the remainder of the tenant base is made up of "high-end specialty retailers that cater to the (mostly) affluent surrounding neighborhoods."

The Los Coches Village deal is part of a strengthening retail market in San Diego County, according to a recent report by CB Richard Ellis. Overall, the retail vacancy rates in the county held at 2.4% at the close of the first quarter. It was the 11th straight quarter under 3%. The Carlsbad submarket was among the county's strongest with 2% vacancy among its more than 1.9 million sf of rentable retail space. For the quarter, the Carlsbad submarket counted 64,845 sf of positive net absorption. The area also saw the completion of 66,000 sf of new construction. The net absorption in the Carlsbad area was the strongest level in the county, which experienced 182,754 sf of positive net absorption. The Carlsbad submarket was one of only six submarkets with more than 15,000 sf of net absorption for the quarter, according to CB Richard Ellis.