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Premier 352,000-SF Retail Center Commands \$70M

By Bob Howard



Arcadia Hub Pavilions

ARCADIA, CA-The 351,871-square-foot Arcadia Hub Shopping Center has sold for \$70 million in one of the largest retail deals in Los Angeles County in 2010. The property, at the signalized intersection of West Duarte Road and South Baldwin Avenue, is a two-level community shopping center that was more than 95% occupied at the time of the sale, according to Reza Etedali of Newport Beach, CA-based REZA Investment Group Inc., which represented the seller.

Etedali tells GlobeSt.com that both the buyer and the seller were private Los Angeles-based investors and that the property generated "a ton of interest" because of its good financial performance, infill location and the long-term leases of tenants that include a Pavilions grocery store, Burlington Coat Factory, JoAnn Fabrics, and L.A. Fitness. The bidders included high-net-worth private investors, family trusts, REITs and both US-based and international institutional investors. Etedali says that the property is the type of core asset that most interests investors in today's market. The core markets and core assets are treated by investors like gold. "Right now, investors are still uncomfortable with some of the value-added assets because they feel that some of those properties haven't adjusted to the current pricing," Etedali says.

The Arcadia Hub center's infill location means that there is little or no potential for new developments nearby, Etedali says. The Pavilions market in particular, he said, is a very high-performing store.

The shopping center, which was built in 1948, was remodeled in 1986 and 2009. The seller had owned it for 25 years. The buyer was represented by an in-house asset manager.



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