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Family Trust Buys \$12M TIC Center

By Bob Howard

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YUCAIPA, CA-An Orange County-based family trust has acquired the 90,000-sf Chapman Heights neighborhood shopping center from Irvine-based Passco, a sponsor of tenant-in-common deals, for \$12.2 million. The sale is one of a host of retail transactions that have closed in the Inland Empire in recent days.

According to Edward Hanley of Irvine-based Hanley Brown Group Real Estate Advisors, which brokered the Chapman Heights transaction, the property at the northwest corner of Yucaipa Boulevard and Fourth Street in Yucaipa was 97% occupied at the time of the sale. Hanley Brown represented both the buyer and the seller.

The Chapman Heights property is anchored by a Stater Bros. supermarket and a Rite Aid that was not a part of the sale. Other tenants include a Fitness 19, Goodyear, Radio Shack, Hallmark and a UPS Store. Built in 1975, the center is situated on 6.76 acres at 34454-34488 Yucaipa Blvd. and consists of three separate buildings. Hanley notes that the buyer was required to assume an existing loan calling for an approximate 50% down payment.

In a deal in Hemet, Eric Wohl of Hanley Brown reports that a private investor based in Newport Beach bought the 58,000-sf Diamond Valley Shopping Center at 1109-1287 State St. from San Diego-based 1109-1287 State Street LLC for nearly \$5 million, with Wohl representing the buyer. The property, which consists of two buildings on 5.14 acres and was 83% occupied at the time of sale, is shadow anchored by Henry's Market and Chevron. The seller was represented by Tim Kerrigan of CB Richard Ellis, San Diego.

In a deal in the Riverside County community of Wildomar, a private investor from Illinois bought a 2,134-sf Wienerschnitzel/Tastee Freez at 23937 Clinton Keith Rd. for \$1.96 million from a private investor based in Riverside County. The seller was represented by Eric Werner of Hanley Brown Group and Brian Bielatowicz of Lee & Associates in Murrieta, with the buyer represented by David Lee of Century 21 D&H Realty in Rowland Heights.

The sale closed at a cap rate of 5.9% and \$918 per sf, one of the highest prices per sf in the area, according to Werner, who notes that the deal fulfilled a 1031 exchange requirement for the buyer. The asset is situated on a .75-acre parcel with 10 years remaining on the initial lease.

In a sale in Colton, Wohl reports that a private investor based in Los Angeles bought an 8,000-sf net-leased Hollywood Video at 125 W. Valley Blvd. for \$1.7 million in a deal that closed at a cap rate of 6.1%. The property is situated on roughly a half acre, with five years remaining on the tenant's initial lease term.

Built in 1968, the Hollywood Video is visible from the I-10 Freeway and is adjacent to a group of other retailers including Stater Bros. Wohl represented the Alta Loma-based private investor that

sold the property, with the buyer represented by Sun Yoon of Sun Realty in Los Angeles.

In a Riverside transaction in which Edward Hanley represented the seller, a family trust from Gilroy acquired a 5,000-sf single-tenant building occupied by Pacific Dental from HEC Orangecrest LLC of Newport Beach for \$1.6 million in a deal that closed at a 5% cap rate. The building, which opened in 2005, is situated on .6 of an acre and is near a group of retail businesses.

Hanley notes that the sale was an all cash transaction that closed in 21 days, with the buyer in a 1031 exchange. "The market for single-tenant net-leased assets of this type is still very much in high demand," Hanley says.

Hanley points out that with an average household income in excess of \$95,000 within a one-mile radius of the newly constructed Pacific Dental property, "The buyer acquired a quality single-tenant net-leased investment with no management responsibility."

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