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### Vista Retail Center Brings Nearly \$4M

By [Nellie Day](#)

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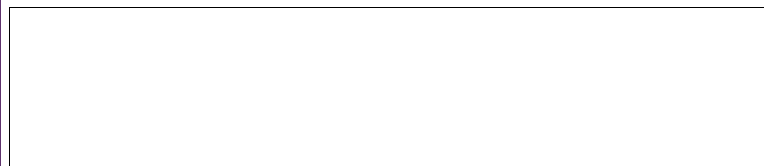
VISTA, CA-The 19,730-sf multi-tenant retail center called Santa Fe Crossroads sold to a private investor out of Los Angeles for \$3.76 million. The investor was required to assume an existing loan that called for an unusually high down payment of about 70%.

Located at 1450 Santa Fe Ave., Santa Fe Crossroads consists of two separate buildings that were 100% occupied at the time of sale. The center, whose previous owner was Santa Fe Crossroads, an Orange-based California general partnership, is anchored by McDonald's, which wasn't part of the sale, and Payless ShoeSource and T-Mobile, which were.

Edward B. Hanley, who represented both the buyer and seller, tells GlobeSt.com that an existing loan out on the property caused the buyer to have to put so much money down upfront. The loan was only taken out two years ago, and still required a few more years of payment. If the buyer had chosen to pay it off, Hanley says there would have been a prepayment penalty of about \$50,000.

"For the seller we found a buyer that was willing to put an above-market down payment amount," says Hanley, president of Irvine-based Hanley Brown Group. "Finding that buyer was like finding a needle in a haystack because buyers want to leverage now."

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If Hanley couldn't find his seller a buyer that was willing to put so much money down there were only two options: have the buyer pay the \$50,000 penalty on top of their nearly \$4-million purchase or have the seller take the money off the price tag.

"Somebody was going to eat that cost," Hanley says. "And it's hard to pass that onto the buyer if the seller's not willing to pay it."

Hanley notes that sellers hope for 30% down, so asking for 70% could be stretching it a bit, to say the least.

One reason the buyer may have had little problem putting so much money down, according to Hanley, is that the North San Diego County's retail market is strong and promising. And owning property in a high-demand, low-supply area also means that sellers typically have numerous offers from investors hoping to break into the tight market.

"There's not a lot of turnover here," he says. "[North San Diego County] is highly sought after because the area's growing and property values are appreciating. There's lots of opportunity here and Vista's been a city with a well established demographic and

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growing population.”

Although experts believe the North San Diego County market will remain strong, Hanley predicts that buyers are looking for higher returns while sellers aren't and won't be willing to lower their prices to make that possible.

“The unique thing with San Diego is there's not a lot of velocity,” Hanley says. “So when something comes to the market it has a lot of buyers and that will keep prices high.”

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