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Four NNN Single-Tenant Deals Tally \$14M

By [Bob Howard](#)



Big Bear Walgreens

IRVINE, CA—A private investor from Norwalk, CA has acquired three NNN properties, all of which are retail deals that traded on an all-cash basis, in one of four NNN sales totaling nearly \$14 million that have closed recently in Orange County and the Inland Empire at cap rates of 6% and below, according to Irvine-based Hanley Investment Group.

According to vice president Jeremy S. McChesney of Hanley Investment, who represented the buyers in all four transactions, the deals illustrate that "The demand for single tenant retail properties remains very strong in today's market." Investors "continue to pay premium prices for well-located single-tenant investments leased to national and regional credit tenants that provide security and stability with minimal management responsibilities," McChesney says.

The three properties that the Norwalk investor bought included three single-tenant NNN properties located in Big Bear Lake, Rancho Cucamonga and Garden Grove as part of a 1031 exchange. The first property is a 12,581-sf Walgreens at 42107 Big Bear Blvd. in Big Bear Lake. Situated within one mile of Snow Summit Ski Resort, Bear Mountain Ski Resort and Big Bear Lake, the property was built in 2008 and is on a 1.54-acre parcel, featuring a new 75-year lease with no rental increases. The buyer paid \$5.5 million at a 5.8% cap rate. The seller was San Francisco-based RX Investment Corp., which was also represented by McChesney.

"Not many Walgreens properties are selling below a 6% cap rate right now," McChesney comments. He says the deal was one of the few Walgreens sales in California this year.

The second property acquired by the Norwalk investor was a 5,597-sf Barbeques Galore at 8048 Monet Ave. in Rancho Cucamonga. Situated in a pad location within the Victoria Gardens lifestyle center, the property was built in 2008 and is on a .74-acre parcel. The buyer paid \$3.4 million at a 6% cap rate. The seller was Investwest Partners 66 LLC of El Segundo, CA, which represented itself.



Garden Grove Starbucks

The third property was a 1,450-sf Starbucks with a drive-through at 13172 Garden Grove Blvd. in Garden Grove. Situated adjacent to the entrance to the 22 Freeway, the property was built in 2007 and is on a parcel of about a quarter of an acre. The buyer paid \$2 million at a 5.9% cap rate, or \$1,379 per sf, which McChesney calls a record-breaking price per sf in the area for this type of asset. The seller was

Treadwell Robertson Inc. of San Juan Capistrano, CA, which was represented by McChesney.

In the fourth transaction, a private investor based in Los Angeles bought a 2,260-sf Del Taco at 4880 East Motor Lane in Ontario, CA that is directly adjacent to the Interstate 15 Freeway. The property was built in 2008 and is on 0.77 acres. The deal closed at \$2.65 million and a 5.85% cap rate. The seller, Borchard-Jurupa LLC of Newport Beach, CA, was represented by Jeff Conover at Faris Lee Investments in Irvine, CA. McChesney notes that the Del Taco deal required Hanley Investment Group to resolve contingencies, which it accomplished in less than a week, closing the transaction in 13 days--before Del Taco had even opened its doors for business.

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