

# Arizona real estate firm makes one of year's biggest SLO buys

Healthcare Trust of America, an Arizona-based real estate investment firm, purchased a 45,000-square-foot medical office building on the Sierra Vista Regional Medical Center campus for \$10.9 million. HTA bought the San Luis Obispo property directly from the developer, Chicago-based Healthcare Development Partners, on Aug. 5, marking one of the largest SLO commercial property sales this year.

Mark Engstrom, executive vice president of acquisitions at HTA, said his firm was attracted to the Sierra Vista building because it is brand new and because it's an on-campus space.

The three-story building is 85 percent leased. It shares the campus with Sierra Vista, the largest medical hospital in San Luis Obispo County.

"Our investment strategy is to buy and hold for the long term," Engstrom said. "There's a nice match between somebody like us and a developer that is concentrating on getting the building entitled, built and then moving on."

San Luis Obispo is an attractive market for a company like HTA because developers there typically face high barriers to entry, Engstrom said. That means HTA, which has investments in 21 states across the country, might also see other tri-county properties as potential opportunities.

"It's an attractive place to invest in real estate," Engstrom said. "The Central Coast of California ... is not like the Bay Area or Los Angeles or San Diego. Those are pretty well-defined markets."

"It's hard to get new products built on the Central Coast," he added. "If you can find opportunities, it's great."

Hospital and health care-related properties have become more attractive since health care reform passed, Engstrom said. "The literature says that with the additional 30-40 million people being insured, they're more likely to make doctors' office visits and clinic visits," he said. "It's good for our tenants and our real estate when more people come to these buildings."

HTA has acquired about \$270.8 million in medical office and health care-related assets since the beginning of the year, the firm said in a news release. Its portfolio includes 184 medical office buildings, six hospitals, nine skilled nursing and assisted living facilities and four other office buildings located in 21 states.

Medical office buildings make up about 90 percent of the HTA portfolio, and 73 percent are on-campus facilities such as the Sierra Vista office building. "The medical office product is one that is very, very attractive coming through the past two years of recession," Engstrom said.

## MOORPARK MALL ON MARKET

Shopping centers must not be in style this season. The Moorpark Marketplace shopping center has been put up for sale with an asking price of \$43 million. The news comes a month after the 619,000-square-foot Simi Valley Town Center was put on the market without a price tag.

The 336,055-square-foot Moorpark Marketplace, located at 800-888 N. Los Angeles Ave., was built in 2003. It sits on 18.6 acres at the intersection of the Moorpark and Ronald Reagan freeways, is 97 percent occupied and is anchored by high-profile tenants such as Kohl's, Smart & Final, TJ Maxx and Target.

"The retail investment marketplace in Southern California has seen a flurry of activity in the past several months, causing some excitement in what has otherwise been a very quiet year," Edward B. Hanley, president of Hanley Investment Group Real Estate Advisors, the center's marketing firm, said in a news release. "In addition to a few high profile bank-owned properties, we have also seen more equity sellers begin to come to the market with institutional quality shopping centers."



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## DEAL OF THE WEEK

- The Hotel State Street building in Santa Barbara recently changed hands in a foreclosure sale. The sale price was not disclosed but the 15,000-square-foot property, located at 117-121 State St., was listed at \$3.5 million.

Rob Devericks of Ventura-based Hagelis Group and Mitch Stark of Prudential California Realty represented the buyer, Recordan Real Estate Development. The seller, First-Citizens Bank & Trust Co., was represented by Scott Glenn of Santa Barbara-based Radius Group.

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