

FOR LEASE - 1950 SF Office/Retail Space*1155 Coast Village Road, Suite B, Montecito*

- Rate: \$3.75/sf NNN
- Term: 5 Years
- Available: Immediately

Rare office/retail space available. Only one space consisting of: private office, conference room, open work area or retail floor, kitchenette, storeroom, and restroom.

FOR LEASE - 2,975 - 3,570 SF Office/Retail Space*2264 Lillie Avenue, Summerland*

- Lease Rate: \$1.75/sf NNN
- Term: 3 - 5 Years
- Available: Immediately

This newly constructed building and its grounds are meticulous and will provide the lessee with a wonderful retail or office environment.



Please contact **Michael Chenoweth** for information



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South Coast sales activity slows to crawl after early 2011 boom

Although South Coast commercial real estate insiders expected a "gangbusters" recovery this year, based on a boom in sales volume in the first few months of 2011, the recovery is proving to be tepid.

That was the view from brokers at the Real Estate & Economic Forecast hosted by Radius Commercial Real Estate & Investments on Sept. 29.

On the leasing side, South Coast vacancy rates have largely dropped, but so have lease rates. Paul Gamberdella of Radius said lease rates have come down in many markets because landlords are more eager to take the first deal that comes along, for fear of having a building sit empty.

Santa Barbara's office market vacancy rate has risen to 5.9 percent. Lease rates have stayed about the same, averaging \$2.46 per square foot gross. Goleta's office market has done substantially better, with the average lease rate climbing 2 percent to \$1.70 per square foot, and vacancy dropping 35 percent to 10.3 percent.

The largest lease transaction on the South Coast this year was the development deal between The Towbes Group and Sansum Clinic to develop the property at the southwest corner of Foothill Road and Cieneguitas Road in Santa Barbara for medical office use. Construction is expected to start by early 2013.

Carpinteria's small office market continues to suffer, with lease rates dropping to \$1.56 per square foot, down 10 percent, as vacancy jumped 33 percent to 13 percent.

Overall, the South Coast's total office vacancy rate remains comparatively low, though, at 8 percent. Ventura County's office market is currently experiencing 23 percent vacancy, Gamberdella said.

The South Coast's industrial market averages a 4.9 percent vacancy rate, he said. "It's been a very slow market on the industrial side."

Retail continues to be a bright spot for the South Coast, which boasts a 2 percent vacancy rate in that market, down 17 percent year-over-year. Retail lease rates have also recovered, up 20 percent in on year to \$13.55.

Sales of South Coast commercial real estate properties to-date this year are just 182 — down significantly from 319 in 2010 and 289 in 2009, said Brad Frohling of Radius.

"During the first six months of the year, sales were going gangbusters," he said. "I think if you'd asked any commercial real estate broker in the area at the beginning of the year how things were going to play out, they would have said sales this year, if they kept at that rate, would have easily topped last year."

PARAISO CHANGES NAME

MARLIZE VAN ROMBURGH

Commercial real estate

Paraiso Town Center, the small shopping center in the Dos Vientos Ranch area of Thousand Oaks, will soon be called The Village at Dos Vientos Ranch. The new owner, Paradise Capital Group, has been working to turn the 50,000-square-foot shopping center around since buying it this summer, and has already signed 7,500 square feet to new tenants. "A new name was very important in our efforts to rebrand and market the property," Paradise Capital President Peter Cohen said in a statement. His company did an informal poll and found that four out of five people pronounced "Paraiso," Spanish for paradise, incorrectly.

DEALS OF THE WEEK

• **7-Eleven** has leased space at the redeveloped Carriage Square Shopping Center in Oxnard. Bill Hagelis and Rob Devericks of Hagelis Group represented the property owner in the deal. Devericks and Linda Hagelis of Hagelis Group also recently represented both the landlord and tenant in a lease in the Village at Newbury Park center in Thousand Oaks to **Ranch Hand BBQ and Grill**, which opened a 1,312-square-foot restaurant there

• Matthew Kelly of The Channel Group recently brokered two multi-family property deals in Santa Barbara. A four-unit apartment complex at 2015 Red Rose Way was purchased for \$895,000. Kelly represented both the buyer, **Millie Szerman**, and the seller, the LaFlamme Family Trust. Kelly also represented the buyer in the sale of a downtown duplex at 415 Transfer Ave. The property sold for \$490,000 as a short sale and the buyers paid all cash for the transaction. The Channel Group has also made a move to new offices at 100 N. Hope Ave., Ste. 3A, in Santa Barbara.

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