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**Eckerd's Benched Inroad Nets \$38M for Developer**By *Connie Gore*

ALBUQUERQUE-A private investment group from Sonoma, CA has claimed six retail assets at prime intersections for \$37.6 million or \$445.50 per sf. The play originally had been mapped out by J.C. Penney Co. Inc. as its market break-through for the now defunct Eckerd drug store chain.

"We were under contract very, very quickly at full price," Lori Schneider, senior director in the Florida office for Marcus & Millichap Real Estate Investment Services, tells GlobeSt.com. "They were proactive, straight-forward good dealmakers who wanted the properties and knew how to execute." The all-cash deal went full circle within 60 days, with the play beginning at a 6.9% cap rate and projected to hit 7.35% at the end of 20-year lease terms. And all leases carried a guarantee from the Plano, TX-based J.C. Penney.

The buyer's offer wasn't the only full price on the table, but Schneider says its fast-paced due diligence won the nod from a merchant builder, who was left holding the 84,383-sf package in 2004 when the Eckerd chain was sold. "I had a serious buyer who flew out here right away and looked at the properties, all within a few hours of receiving the information," she says. "I felt they had qualified the properties before they went under a letter of intent." Schneider teamed with Marcus & Millichap senior associate Sam Medford in Santa Fe and senior investment associate Sanford Burstyn in Phoenix to negotiate for seller and buyer alike.

Schneider says Albuquerque and Denver were two new markets under development when Eckerd's was sold in 2004. The Albuquerque developer, with home bases in Phoenix and Orlando, had managed to lease five of the six assets, held for three years and then put the 12.81-acre package on the market in a take-one, take-all scenario. "There was no ability to cherry pick and nobody wanted to," she adds, citing the strength of the locations as the drawing power. "Because it was a new foray into that market, they really did ante up for the best locations."

The only vacancy is a 13,814-sf building on a 1.71-acre tract at 5201 Central Ave. NE. The portfolio includes a two-building asset at 4340 San Mateo Blvd., with the 13,824-sf structure leased to 1st Heritage Mortgage Co. and a 1,650-sf neighbor occupied by New Mexico Title Co. ACE Hardware Corp., headquartered in Oak Brook, IL, occupies a 13,645-sf building on a 1.55-acre pad at 9640 Manual Blvd. and 13,813-sf structure on 3.5 acres at 7847 Tramway Blvd. while Amarillo, TX-based Hastings Entertainment Inc. has a 13,813-sf store on a 2.57-acre tract at 12501 Candelaria Rd.

Some assets neighbor power centers, one sits beside a Wal-Mart Supercenter and yet another is tucked into a trade area with a \$142,000 average annual income. "Each location, without exception, has specific strengths," Schneider says. "All are in high-profile locations."

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