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## \$29M Buys Nine Wal-Mart Neighbors in Five States

By [Connie Gore](#)

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DALLAS-Armed with 1031 Exchange funds, a West Coast syndicate, using a tenants-in-common structuring, swooped in for the close of a nine-property retail portfolio in Texas, Oklahoma, Florida, Georgia and South Carolina. About 150,000 sf of class A space, all neighboring Wal-Mart Supercenters, changed hands in a \$29-million, off-market trade.

The Dallas-based seller, St. Ives Realty Inc. developed eight of the nine centers in the last four years. St. Ives, normally a long-term holder of its real estate, has decided to sell some of its stock "to take advantage of the high demand for retail product currently found in the real estate market," says Bryce G. Gissler with Bridge Realty Partners Inc., the brokerage arm of the Dallas-based St. Ives.

Gissler tells GlobeSt.com that the portfolio sold to a syndicate made up of 10 high net-worth investors from San Francisco, Los Angeles and Lake Tahoe in an all-cash deal to the seller. The buy side used 1031 Exchange capital and fresh debt from a US office of the Zurich-based UBS AG to make the close.

Gissler says the portfolio was offered first to the West Coast group, a prior buyer of St. Ives' product. On average, the centers are two years old and 17,000 sf apiece. He says Wal-Mart doesn't have preferred developers, but most of the land has been bought from the Bentonville, AR-based retail giant in bid scenarios.

The portfolio, with a heavy concentration in Florida, is 90% leased predominately to national retailers. Names like Dollar Tree, Cato's, RadioShack and Gamestop are commingled with small mixes of local and regional shops. The centers range from 10,000 sf to 40,000 sf.


Gissler says the portfolio sale is "the most that we've sold at one time." With retail drawing top prices, the developer has brought to market another 55,000 sf in four centers--also Wal-Mart neighbors--in the Texas cities of Garland, Rockwall, Gainesville and Victoria. And just yesterday, a second center in Garland went under contract, he says. "It's just a seller's market," he says.

St. Ives' current nine-center portfolio totals about 250,000 sf in nine states in the Southeast and Southwest. The developer has another 280,000 sf rising in 13 developments and 10 more, ranging from 10,000 sf to 250,000 sf, on the drawing boards.

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