

Hanley Investment Group Concludes 4th Quarter 2011 with Burst of Closings; More Closings to Follow in 2012

Hanley Investment Group closed out 2011 with the sale of 40 properties totaling over \$225 million and more than 1.5 million square feet. With just a few weeks into 2012, Hanley Investment Group already has a combined total in excess of \$200 million in escrow and listings, plus a bevy of buyer requirements to fill.

January 24, 2012 (FPRC) -- IRVINE, CALIF. – Hanley Investment Group Real Estate Advisors, one of the most dominant retail investment groups in the western United States and a market leader in the sale of retail properties, announced today the company closed out 2011 with the sale of 40 properties totaling over \$225 million and more than 1.5 million square feet. Some of the Hanley Investment Group transaction highlights include Hanley Investment (HI) Urban Retail Advisors' \$21 million sale of the landmark 87,000 sq. ft. urban retail/office complex in the South Lake District of Pasadena, Calif.; eight multi-tenant strip centers in the Inland Empire totaling 174,571 square feet for a total consideration of approximately \$19 million; along with an array of single-tenant bank, fast food and restaurant investments that included tenants Applebee's, Bank of America, Carl's Jr., Chase Bank, Del Taco and Wendy's.

"2011 was a great year after making it through a challenging stretch during 2009-2010," said Edward B. Hanley, president of Hanley Investment Group. "We saw sales velocity increase due partially to investors still starved for a competitive return on their investments in 2011. We expect this upward sales velocity trend to continue in 2012 as the supply of inventory increases and new financing options for buyers become more attractive."

Investors will be looking for quality single-tenant and multi-tenant properties attempting to buy at what some may feel is the bottom of the market, Hanley reported. "We have seen cap rate compression in the Class A credit single-tenant and grocery-anchored shopping center product and expect this to begin in the shadow-anchored and Class B product as the retail fundamentals continue to recover," said Hanley.

"We expect that the demand for multi-tenant retail with upside potential will continue to remain very steady," said William B. Asher, managing director at Hanley Investment Group. "There is still a great deal of pent up demand and capital in the market pursuing value-add assets for the opportunity to chase higher yields through repositioning and the lease up of excess vacancy."

Last month, Hanley Investment Group negotiated the sale of a 31,900-square-foot multi-tenant retail center located on Highway 111 in Rancho Mirage, Calif. The purchase price was \$6.8 million and was one of a very few multi-tenant retail properties that traded hands in the Coachella Valley in the past year that was a stable and well-occupied investment, according to Asher.

However, due to the lack of quality properties and the aggressive prices of shopping centers in infill California markets, Hanley Investment Group continues to work with both private and institutional investors who are willing to acquire multi-tenant shopping centers in other states. "In 2011, Hanley Investment Group sold 11 properties outside of California, mostly to investors who are based in California," said Kevin T. Fryman, vice president of Hanley Investment Group. Hanley expects the

number to increase as investors are attracted to the higher cap rates being offered outside of California.

Some of Hanley Investment Group's transactions outside of California include the purchase of a \$11.58 million community shopping center in Oklahoma City, Okla.; a 65,558-square-foot Albertsons-anchored shopping center in Las Cruces, New Mexico; and a 99,727-square foot community shopping center in Houston, Texas, representing an 8.36% capitalization rate.

Hanley Investment Group's transactions also include the sale of five southern California single-tenant Walgreens, the most by any brokerage company in 2011. Located in Pasadena, Orange County, Pomona, Riverside and Lake Elsinore, Calif., the combined properties sold for a total consideration of more than \$36 million in separate transactions. "At a 6.48% cap rate, the Walgreens in Lake Elsinore sale represented the lowest cap rate for a single-tenant drug store in the Inland Empire in 2011," said Asher.

In Downtown Los Angeles, HI Urban Retail Advisors negotiated the sale of a 6,150-square-foot ground-floor retail space at Luma, a 263-unit luxury condominium building located at 1100 South Hope Street. The purchase price was \$2.62 million. This transaction was the second retail condominium sale HI Urban Retail Advisors has executed in Downtown Los Angeles in 2011. HI Urban Retail Advisors recently sold a similar retail condominium at the sister building to Luma, known as Evo. A second portion of the retail at Evo is also being marketed for sale for \$1.3 million by HI Urban Retail Advisors.

"Retail condos can present a tremendous opportunity to own and operate real estate in some of the most dynamic markets in the country," said Carlos J. Lopez, president of HI Urban Retail Advisors. "While market forces may have limited the ongoing development of high-density, mixed-use developments in the short term, scarcity of land as well as municipal forces seeking to develop pedestrian-oriented developments, will continue in the long term. As a result, the retail condominium will be a product in the marketplace as common as multi-tenant apartment buildings, multi-tenant shopping centers and single-tenant investments, and we expect the values will remain strong."

"With just a few weeks into the new year, Hanley Investment Group already has a combined total in excess of \$200 million in escrow and listings, plus a bevy of buyer requirements to fill," Hanley stated. "If January's volume of activity is any indication to how the rest of the year will go, we know it is going to be a great year! As a side note, it is going to be interesting to see how the market reacts to the results of the presidential elections in November but we are not getting the sense investors are on the sidelines waiting."

About Hanley Investment Group Real Estate Advisors

Built on a solid foundation of performance, integrity and dedication, Hanley Investment Group Real Estate Advisors is a boutique retail investment advisory firm with a three billion dollar transaction track record that is comprised of innovative specialists delivering unparalleled service and superior results that consistently exceed client expectations. Hanley Investment Group's expertise, commitment and unwavering focus of putting the client's needs first have continued to set the company apart in the industry. Hanley Investment Group works closely with individual investors, developers, and institutional property owners in every facet of the transaction to insure that the highest value is achieved. Clients rely on Hanley Investment Group to be the most knowledgeable and trusted source for valuation services, market information and retail property acquisitions and dispositions. For more information, visit the Company's website at www.hanleyinvestment.com or

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