

SANTA BARBARA NEWS-PRESS



REAL DEALS : Whatta bargain: Free rent at Mel's

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Now this is a Real-ly great Deal.

The Paseo Nuevo footprint that housed the recently shuttered Mel's Lounge, the Santa Barbara institution/watering hole, will be undergoing a renovation, and the new tenant will receive free rent over the course of the facelift, which could be upwards of 10 months.

Kirk Carson of Radius Group, which is handling the application process, said that tenants usually pay rent while the pending improvements go through the city's planning process and permitting, so this is a one-time deal and not a sign of tough times for landlords in the State Street area. "We already have three to four tenants who are interested," said Mr. Carson, "and one is a national retailer."

Mr. Carson pointed out that for retailers, Paseo Nuevo mall officially starts at Tacone restaurant, so the movie theater, Foot Locker, and the other stores/eateries on that row have De la Guerra Street addresses, although there are cleanup easements with the mall proper.

"The space is going for \$6.50 triple-net and that's on par with a very small space," said Mr. Carson of the 750-square-foot site that is zoned for food use or soft goods. "For that space, with the high foot traffic, the tenant will be paying less than \$6,000 (in rent) a month."

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Real Deals hears that Citrix Online, which last year inked a long-term lease to occupy 58,000 square feet of office space in the former General Dynamics building located at 7408 and 7410 Hollister Ave., may be spreading its wings into the former Raytheon Building (aka Santa Barbara Remote Sensing) at 7418 Hollister Ave., which boasts 86,000 square feet of office and lab space. Asked by Real Deals to confirm, Citrix senior manager of public relations, Ann Bailey, said via e-mail: "Citrix Online has express interest in and we have also secured leases for several buildings throughout the Hollister Business Park in order to accommodate our company's growth."

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It's rare that Real Deals strays from its reporting on the local commercial real estate scene, but we recently received a report from First American CoreLogic, a provider of real estate, property and ownership data, that stated foreclosure rates in Santa Barbara County showed a marked increase for the month of June, climbing to 1.7 percent from 0.6 percent from the same period a year ago. The mortgage delinquency also rose to 4.4 percent from 1.7 percent in June 2007 and home prices have decreased, too, although the median price in the county was still \$342,000, well above the national figure of \$208,000. However, the sky isn't falling on South Coast homeowners: mortgage experts previously interviewed by the News-Press said that the bulk of foreclosures are happening in Santa

Maria.

REAL DEALS: 7,800-square-foot former Post Office, 18 S. Milpas St., Santa Barbara, leased to Mission Granite & Marble; Stephen Leider and Clarice Clarke of Lee & Associates represented both parties ... 11,325-square-foot parcel of land sold at 6545 Trigo, Isla Vista; Kirk Carson and Scott Glenn of Radius Group represented buyer.

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