



# HOPE CENTER

WATSONVILLE, CA

OFFERING MEMORANDUM

\$14,950,000 | 6.30% CAP RATE | 100% LEASED

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## THE OFFERING

Cushman & Wakefield presents the opportunity to acquire a ±52,886 square foot shopping center located in Watsonville, California. After developing this property and owning for over 33 years, the Owner has decided to sell.

Hope Center is anchored by a ±27,532 square foot Hope Thrift store and a ±14,985 square foot Harbor Freight Tools. Local and regional tenants include Erik's Deli, Dignity Health, Bailey Properties, Allstate Insurance, Pizza Hut Express, law offices and insurance offices.

The Property is positioned at a high visibility location at the corner of Green Valley Road and Main Street; part of five retail centers; totaling over 400,000 SF of retail and service commercial related businesses. This is the “retail heart” of south Santa Cruz County, North Monterey County, and West San Benito County. Some of the neighboring businesses include Target, Kaiser Permanente, Nob Hill Grocers, Big Five, and many others as noted on the attached aerial.

The Property benefits from easy freeway access, with the Highway One interchange nearby. Earlier this year the Property received two new tenants; Hope Thrift and Harbor Freight Tools, replacing Orchard Supply Hardware. The Property has been updated with new landscaping, and a new parking lot configuration yielding over 4/1000 parking ratio.

Santa Cruz County has little if any available land for new development, resulting in unusually high barriers to entry for new retail or commercial developments. The Hope Center is situated at one of the best corners in the County.



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**PROPERTY SUMMARY**

Property Name:	Hope Center
Address:	1050-1074 S. Green Valley Road Watsonville, CA 95076
Assessor Parcel No:	018-281-43
Parcel Size	±5.14 Acres
Year Built:	1987 Re-purposed 2018
Total GLA:	±52,886 SF
Asking Price:	\$14,950,000
Estimated Annual NOI	\$942,040.91
Capitalization Rate	6.30%
Price PSF	\$283
Occupancy	100%
County	Santa Cruz
Property Type	Retail
Parking	220 Parking Stalls

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## TRAFFIC AND PROXIMITY TO HWY ONE

The Property benefits from easy freeway access, with the Highway One interchange nearby. Traffic counts are 29,000 ADT on Main Street, and 13,500 ADT on S. Green Valley Rd. Notably, Highway One at the interchange next to the Property has 53,000 ADT with over 27,000 ADT entering/exiting Watsonville.

## TENANT MIX

A group of local investors developed the vacant land in 1985, and leased the main building to Orchard Supply Hardware (OSH). After Lowe's bought OSH, they elected to leave the Watsonville market. In the face of a changing retail environment, the owners of the Orchard Center purposefully pursued retailers that would be considered both "Amazon Proof" and recession resistant! Earlier this year the Property received two new tenants; Hope Thrift and Harbor Freight Tools, replacing Orchard Supply Hardware. First, Hope Thrift was chosen to occupy over 27,532± RSF as thrift stores have extremely low cost of goods, and have become very popular with the largest demographic - the Millennial. "Thrift" is now a verb in the Urban Dictionary! Not only do thrift stores serve a certain lower income bracket, they have now become a form of experiential retail. The extremely low cost of goods combined with the need to physically "hunt" for the right purchase means that the thrift is inoculated against online shopping. Harbor Freight Tools, occupying 14,985± RSF, also has an "Amazon Proof" retail formula. Their pricing is extremely competitive. Tool purchases are always "tactile" and often urgent. They have built a retail platform of over 800 retail stores nationwide, offer online purchases, and according to HFT management, are exceeding their expectations for sales here at their new Watsonville location; the 100th HFT to open in the State of California! We know that tertiary retail markets such as Watsonville do best with experiential, value based businesses. These two new tenants at the Hope Center are well suited for an investor expecting a reliable, solid tenant base going into the future.

The pad building tenants occupy approximately 19% of the Hope Center. Dignity Health and Erik's Deli occupy Building A, and Pizza Hut Express, Bailey Properties, Allstate Insurance, Law Offices, and a weight control business known as Inches Off occupy Building B. Allstate and Law Offices have been tenants for decades. Pizza Hut Express signed a 10 year lease in 2016. These small spaces rent easily, as the location is a convenient, highly visible choice in this submarket.

**Additional tenants:** There is a Bank of America ATM kiosk at the Hope Center by the Main Street monument sign. Also, Verizon Wireless operates a roof antenna (signal booster) on the roof of Building B (above Pizza Hut Express).





EXECUTIVE SUMMARY



**TARGET**

**STAPLES**

**ROSS**

**FOODMAXX**

**SLEEP TRAIN®**

**Chevron**

**Holiday Inn EXPRESS**

**Rabobank**

**KAISER PERMANENTE®**

**ups**

**Western Dental**  
••T••Mobile•

**Round Table PIZZA**  
**TOGO'S**  
GREAT SANDWICHES

**Bank of America**

**Bailey Properties**  
**Allstate**  
You're in good hands.  
**Pizza Hut**  
express

**HARBOR FREIGHT**  
QUALITY TOOLS AT RIDICULOUSLY LOW PRICES

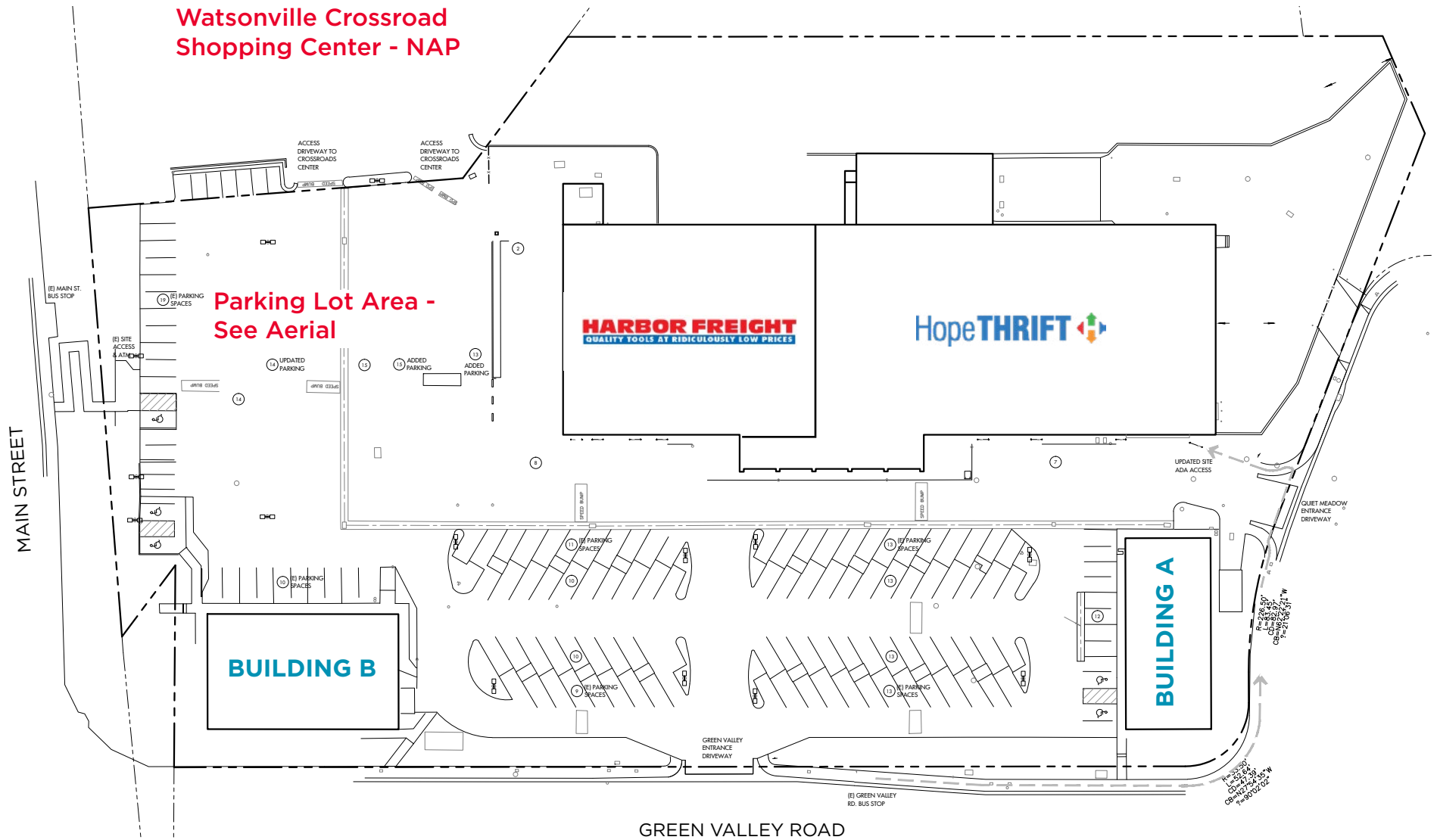
**Hope THRIFT**

S. GREEN VALLEY ROAD

**Dignity Health**  
**Erik's DeliCafé**  
The Fine Crafted Sandwiches, Deli, Regal, More...



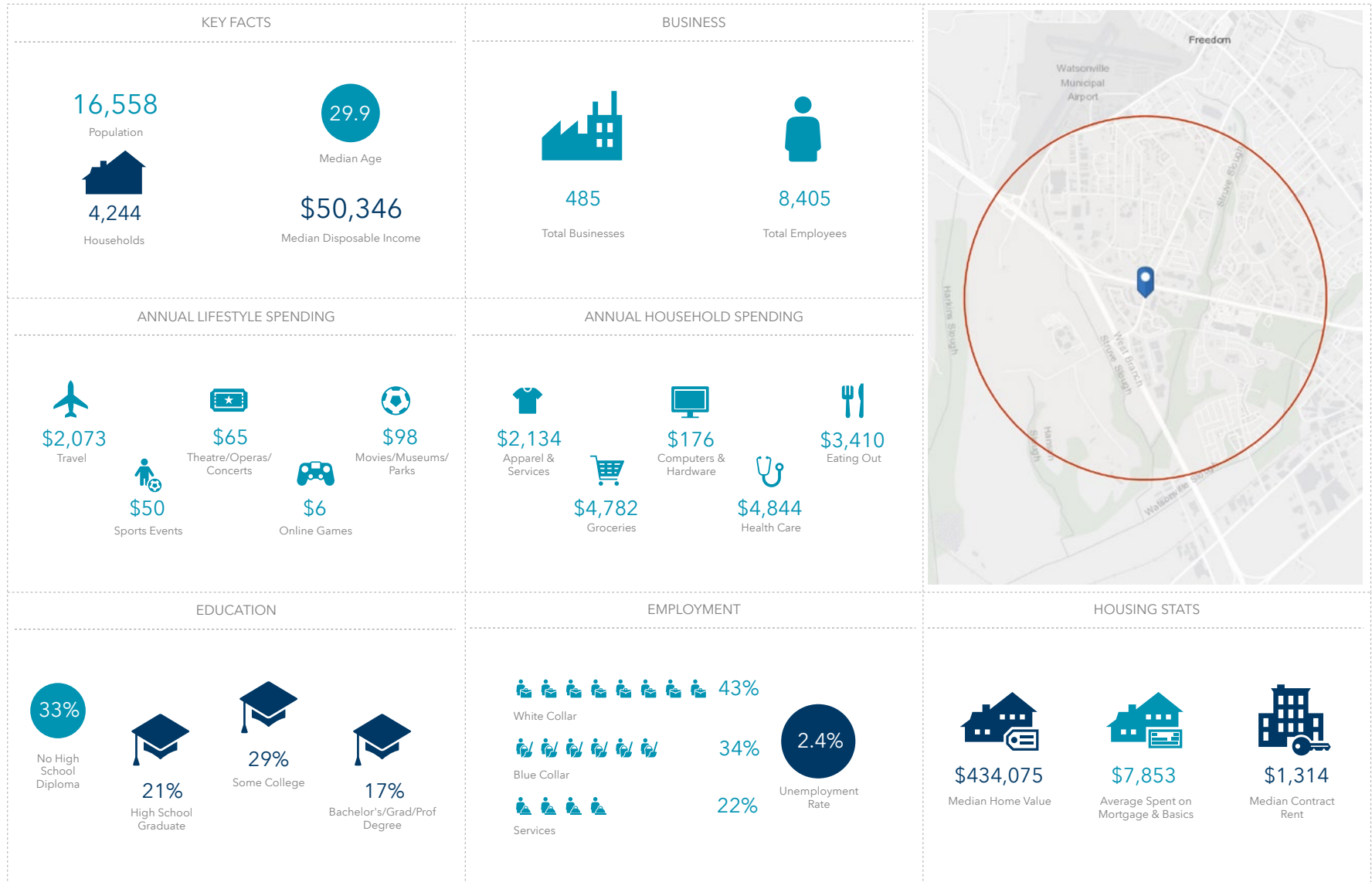
SITE PLAN



EXECUTIVE SUMMARY

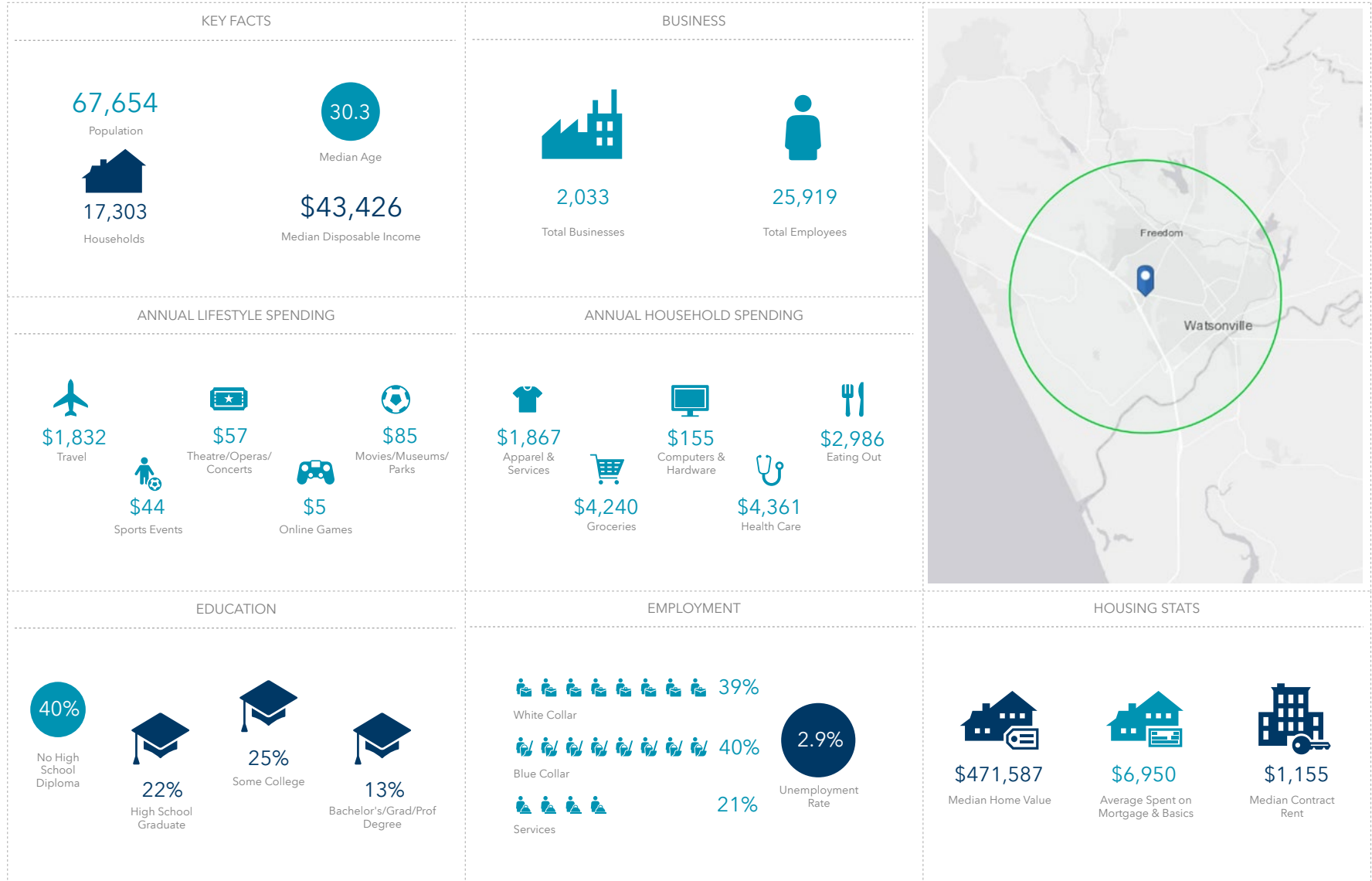


DEMOGRAPHICS - 1 MILE

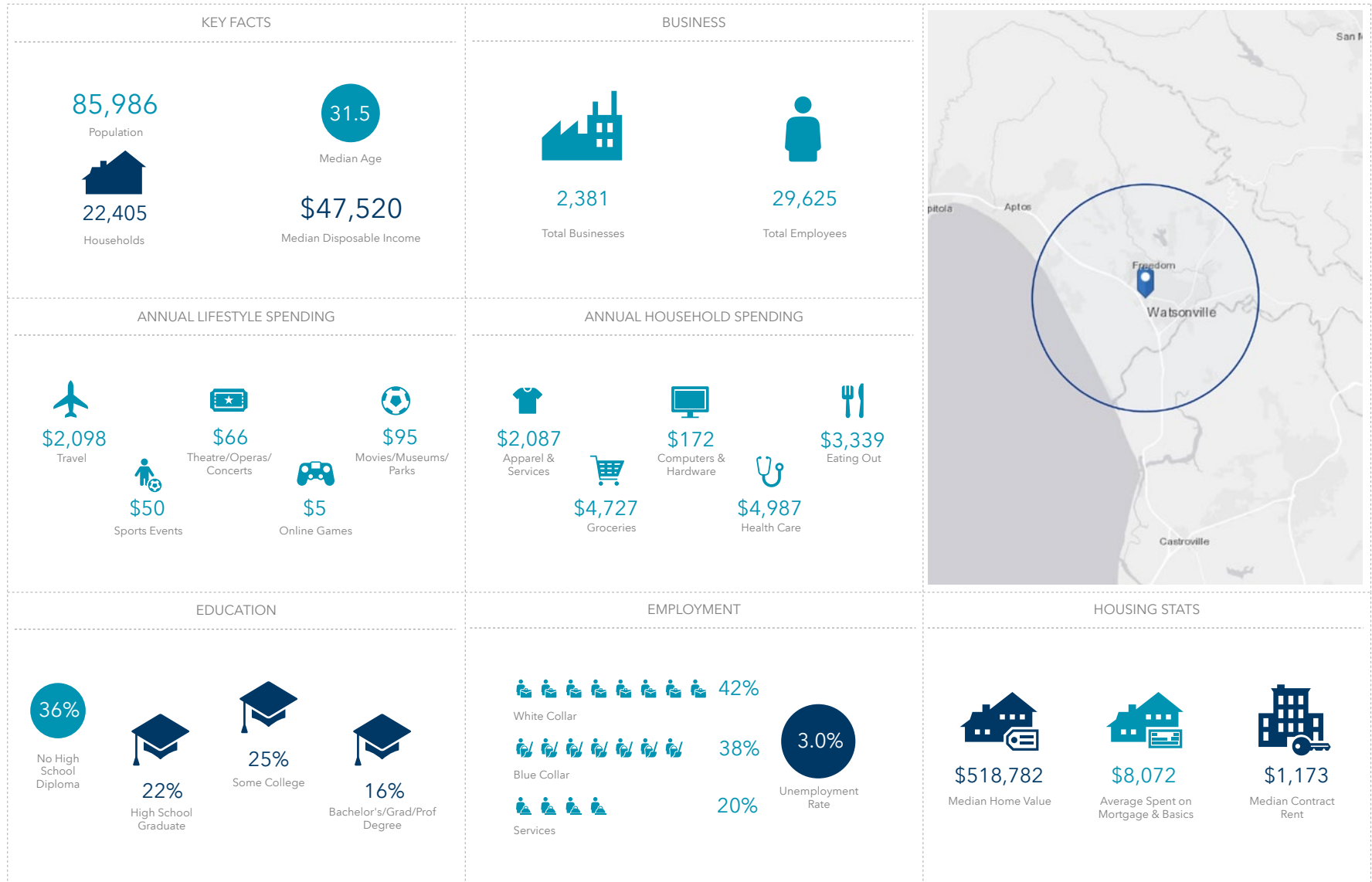




DEMOGRAPHICS - 3 MILE



DEMOGRAPHICS - 5 MILE





TRAFFIC COUNTS

