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Western Palm Beach County a Hit with Retail Investors

Village Shoppes on 441 Trades for \$20.6M at Foreclosure Auction



Retail investors have again targeted a well-traveled corridor in an affluent section of western Palm Beach County, Florida.

Village Shoppes on 441 in Royal Palm Beach sold to an investor at a foreclosure auction for \$20.6 million, or about \$72 per square foot. The property is a little more than a mile away from Shoppes at Isla Verde in Wellington, Florida, that sold last month for \$73.75 million, or more than \$356 a square foot, to MetLife Real Estate Investments.

Royal Palm Beach and Wellington are two strong markets where retailers want to be because of a growing population with high-end homes and disposable incomes in one of Florida's wealthiest counties, brokers say.

JBL Asset Management of Hollywood, Florida, plans major renovations to add value to the 28-year-old Village Shoppes at 10101 Southern Blvd., said Bryan Belk, broker for Franklin Street, which represented seller CWCapital of Bethesda, Maryland.

CWCapital was the special servicer for the property. Records show Gertz Builders & Developers of Fort Lauderdale, Florida, paid \$38 million for the 285,045-square-foot center in 2007, in the middle of the last real estate downturn.

Belk said there were more than a dozen bidders for the property.

"What that speaks to is there are a ton of firms out there trying to chase value-add deals," said Belk, who brokered the sale with Franklin Street's John Tennant.

The center, built in 1990, is 85 percent leased and anchored by Beall's, Burlington Coat Factory and Planet Fitness, according to Franklin Street.

Despite the rise of online retail, well-located shopping centers will draw customers and investor interest, said Barry Wolfe, senior managing director for the Marcus & Millichap brokerage in Fort Lauderdale. In fact, more online retailers, including industry titan Amazon, realize the importance of having brick-and-mortar stores, he explained.

"Online-only is not a model that can survive in reality," Wolfe said. "You have to have a physical presence to be successful."