



Urban West Ventures recently acquired a Mission Valley office building with plans to renovate it. Photo courtesy Urban West Ventures

Investment Firm Buys Underperforming Property in Down Market

■ By RAY HUARD

Urban West Ventures, based in Mission Valley, is looking for commercial real estate to buy in San Diego County and elsewhere in what has been a cooling real estate market except for industrial property.

At a time when demand for office property is at a low point, the firm recently bought a Mission Valley office building that it is renovating and will use as its headquarters.

Alex Mickle, a principal and founder of Urban West, said that this is exactly the type of market in which firms like his thrive.

“When the market softens a little bit, like it is now, a lot of the competition leaves the market. A lot of the big investment firms tend to sit on the sidelines to see what happens. That leaves behind sellers that actually need to sell and don’t want to sell to get huge prices. It moves away all the fluff in the market and exposes all the opportunities,” Mickle said. “We are a small boutique shop, just two partners, and we purchase underperforming commercial buildings, including retail, industrial, office and mixed-use. By underperforming, I mean with deferred maintenance in need of renovation, possibly legal issues, possibly environmental issues.”

The firm is looking for property of at least 10,000 square feet offered for \$15 million or less, and typically spends from \$10 to \$40 per square foot on renovations, Mickle said.

Mickle’s partner, **Stewart Winkler**, said that the firm tends to avoid residential property, and doesn’t buy property to convert to another use, say from office to residential, but makes improvements to make property more appealing.

“We basically look at property where the highest and best use is it stays the same, where we’re taking a C property to a B,” Winkler said.

Staying Lean

In San Diego County, Mickle said that he and Winkler are particularly interested in acquiring property along the Route 78 corridor in North County.

“There’s still some affordability, which is tough to see anywhere in California. Compared to infill developed areas, I think there’s opportunities along that stretch. San Marcos, specifically, is very pro-development and

very business friendly and they do a good job of helping you push through projects,” Mickle said.

The Mission Valley office building that Urban West acquired was a rarity, because there are few deals in Central County that meet the firm’s criteria, Mickle said.

Urban West bought the 27,000-square-foot building at 3511 Camino del Rio South from someone who had owned the building for about 30 years and didn’t want to spend money to make needed repairs, Mickle said.

Urban West paid about \$165 per square foot for the building and set an \$800,000 budget for renovations.

“This is the first 100% office project that we’ve done,” Mickle said.

The firm’s other investments include a 23,000-square-foot Poway shopping center, a 33,000-square-foot San Marcos mixed-use complex, a 16,000-square-foot Escondido industrial complex, a 19,000-square-foot El Cajon industrial building, a 76,000-square-foot Fort Worth industrial complex, an 8,600 San Diego commercial building, and a 6,000-square-foot San Diego Commercial building.

“The buzz that you hear that everyone hears about office, it pertains to the more Class A, downtown, UTC, Sorrento Valley, 6,000-square-foot floor plates occupied by fancy-schmancy law firms and so on and so forth,” Mickle said. “We don’t target the big office users. We target the mom-and-pops. Our sweet spot is under 1,000 square feet.”

Mickle said that the firm will likely grow as it acquires more property.

“It’s inevitable. It’s not something that we’re looking forward to and we never see ourselves becoming a 20- or 30-person company,” Mickle said. ■



Alex Mickle
Principal
Urban West Ventures



Stewart Winkler
Principal
Urban West Ventures

Urban West Ventures



FOUNDED: 2012

HEADQUARTERS: Mission Valley

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BUSINESS: Real Estate Investment

EMPLOYEES: 4

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NOTABLE: The principals of Urban West Ventures have a combined 45 years of experience in finance, construction, leasing, brokerage, and acquisitions