

Broker stays afloat with coastal ranch specialty

In a real estate market where residential buyers and sellers everywhere are suffering from a mortgage crisis and commercial developers are struggling with the hurdles and rising land costs associated with a dwindling supply of land, real estate broker Kerry Mormann has found an active niche.

His multi-acre ranch listings, mainly located in Santa Barbara County, have kept him busy. Mormann recently represented both buyer and seller in the \$23 million sale of Rancho Arroyo Grande, a roughly 3,500-acre ranch east of Lopez Lake with 270 acres of vineyards, an 11,000-square-foot residence and wine cave.

Rancho Arroyo Grande Winery and Vineyards reportedly was sold to Mentor Corp. founder Christopher J. Conway. The sale has turned the spotlight to a literal wealth of prime acreage moving along the Central Coast.

While even slight changes in the economy can heavily influence activity in residential and commercial markets, ranch land, like luxury estates, seems to operate in a separate world.

Mormann said high-end ranch land is bringing in a lot of money in both Santa Barbara and San Luis Obispo County.

Although Mormann said the ranch market can lag behind trends in the residential real estate market by about a year, any slowdowns recover rapidly.

"It's a very specialized area and for the most part, these are lifestyle purchases. It's about the aesthetics of the property, not about the return."

In 2007 alone, Mormann has represented land transactions valued at more than \$200 million.

He personally averages about 15 transactions a year, often including properties larger than 100 acres. Mormann said in the last five years, he has seen some ranches triple in value.

"I would say the most important fact about these big ranches is they are disappearing, so it's all about supply and demand," Mormann said. "I've been selling

ranches for about 30 years and fewer and fewer come up and there's always a steady market for it, so they've held their value very well."

The 3,300-acre Gaviota Ranch along the Santa Barbara County coast is listed on Mormann's Web site for \$13.75 million, consisting of with a ridge-top valley, 10 private canyons and rock formations overlooking the Pacific Ocean. Mormann said the price is low for the size because though the views and land are "spectacular," much of the terrain is too rough to be used for development or agriculture.

This year, Mormann's major transactions included the joint sale of Rancho El Cojo and The Jalama Ranch, with a total of 24,000 acres stretching from the Gaviota Coast to Jalama Beach.

The properties were listed for a total of \$155 million. The 38-acre Santa Barbara Cove adjacent to the Bacara Resort was listed for \$18 million and sold this summer. La Patera Area Ranch in Goleta, with about 780 acres featuring 160 acres of avocados, is pending close of escrow.

"With all the bad press out there and talk about real estate being bad, this has been my best year ever," Mormann told the Business Times.

SIMI VALLEY HAPPENINGS

• On Oct. 9, the 600,000-square-foot Simi Valley Town Center announced it has signed five tenants to open at the shopping center in coming weeks, just in time for the holidays. The Halloween Shop, Calendar World and Pro Signatures Memorabilia have taken space at the mall. Since shopping can work up an appetite, Redfish Seafood Grill and Bar, specializing in Cajun and Bourbon Street specialties, and buffet-style Souplantation are scheduled to open in mid-November.

• Los Angeles-based Portola Properties has purchased Century Square in Simi Valley for \$8.95 million. The property, located at 2109-2139 Tapo St., is a 45,610-square-foot, fully occupied retail center built in 1980. Michael Pourmirza, of Sperry Van Ness in Woodland Hills, represented the seller, Rainbow Investments from Los Angeles. Jim Darin of Westcord Commercial Group represented the buyer.

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BARBARA PEARSON
Real Estate



Mormann

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