

Capstone Acquires Beachwalk Shopping Center for \$32.1 Million

By Vicki M. Young, 4 days ago



Capstone Advisors is tapping into the popular and lucrative health and wellness boom.

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Capstone acquired the Beachwalk Shopping Center in San Diego County for \$32.1 million and plans to shift the tenant roster to include a focus on health and wellness.

The eight-building, 55,580-square-foot-center was acquired from GEM Realty Capital, which purchased the center in April 2017. The center, located in the Solana Beach area, an affluent beach community on the Pacific Coast Highway, has a retail mix of retail, restaurants and medical and creative office space. Retail installations in Solana include a mix of home decor, art, fashion, and food and beverage options. New tenants Pure Infrared Sauna and Lana Restaurant are currently under construction and will be among the first of many new businesses slated to open soon.

"We are excited to add this beautiful, well-located center to our portfolio. The Solana Beach Community is a vibrant and dynamic area. This is a great asset that will benefit from strong local ownership, and we will be embarking on a variety of improvements to revitalize this great asset," Capstone's president Alex Zikakis said. "Personally, I've been a regular at this center for many years and am excited to implement a variety of significant changes to strengthen its offerings in line with the desires of the local community."

Capstone said home values in the coastal neighborhood of Solana exceed \$2 million. The Solana property at 437 S. Highway 101, easily accessible from many other desirable communities in San Diego County, is close to the Del Mar Racetrack, Del Mar Fairgrounds and Cedros Design District. Solana is also host to many visitors who regularly visit the area.

A diversified real estate investment and development company headquartered in Carsbad, Calif., Capstone's diverse portfolio of real estate properties include operations in California, Arizona, Nevada, Utah and Virginia.

Capstone entered the Utah market in June with its purchase of the Trail Crossing Shopping Center in South Jordan, a 38,397 square foot retail shopping space spanning five buildings.

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A September report from JLL on Trends in U.S. Luxury Real Estate found that high-end luxury retail remains resilient despite economic uncertainty. Class A malls have the lowest vacancies, with an average vacancy rate of 5.8 percent in the second quarter of 2024. It also cited to a study from Bain & Co., which indicated that Gen Z and Gen Y will account for more than 70 percent of global luxury spending by 2030, setting the stage for definition of luxury retail to be redefined as a younger and more diverse consumer drives luxury spending.

Meanwhile, the health and wellness focus Capstone has planned for Solana could very well drive more locals and repeat visitors to the beachfront center. A January report from McKinsey & Co. defined global wellness as a \$1.8 trillion consumer market. Its Future of Wellness research estimated that the U.S. wellness market has reached \$480 billion, growing at 5 to 10 percent per year. Gen Z and millennial consumers are now purchasing more wellness products and services than older generations across the health, sleep, nutrition, fitness, appearance and mindfulness categories.

Fashion and textile firms have also been focusing more on how to offer wellness to consumers. La-Z-Boy has been working with [Nanobionic to infuse textiles and leather](#) with minerals activated with body heat to emit infrared rays back to the body to promote muscle recovery and promote restful sleep. Yoga-inspired brand Lululemon in September released its annual global well-being report that found while people are investing in their overall wellness, many are also [burnt out from the pressure](#) to be well. That said, respondents in the Lululemon study who said they participated in group fitness classes or have a sense of community tend to report better overall well-being.