



SHMUEL THALER/SENTINEL

Brian and Kevin Dueck are about to open their new commercial building behind their HomeSpace/WorkSpace furniture store on 41st Avenue.

Rebounding after fire

New complex springs up on 41st Avenue: Owners say brewery, Crossfit will be tenants

By JONDI GUMZ

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SOQUEL — Three years after a devastating fire, brothers Brian and Kevin Dueck are almost ready to open a new commercial development, Retail 41. Their investment: More than \$1 million.

While other landlords have vacancies, the Duecks have signed leases for two new businesses, Discretion Brewing and Crossfit Now, and are reviewing proposals from other would-be tenants for units in the 10,500-square-foot space at 2703 41st Ave. across from Home Depot.

"We have three letters of intent, and two more coming in," Kevin Dueck said.

"You never know when you build these things what's going to happen," said Brian Dueck, who helped supervise the construction. "It's good to see people interested in leasing new space in these times."

Offers have come from a furniture store, tan-

ning salon, hair salon and commercial kitchen, according to real estate broker Steve Allen. Only two of the eight spaces are left.

The Dueck family, which owns the furniture stores HomeSpace and WorkSpace at this location, debated how to proceed after losing a 20,000-square-foot showroom and warehouse.

The brothers considered rebuilding, then looked at building with a multiple-tenant space, with Santa Cruz's Swift Street Courtyard and the Sash Mill as inspiration. Finally, they downsized the tenant spaces to increase their affordability.

"If spaces go for \$1 a (square) foot, we're going to get more offers than if we're in the \$2 range," Kevin Dueck said.

"We went back to the drawing board because of the economy," Brian Dueck said. "We're happy we went that route."

Their asking rate in the \$1 range is lower than average rate in the fourth quarter of 2011, which was \$1.97 per square foot, according to Cassidy Turley Commercial Real Estate Services.

AT A GLANCE

FOURTH QUARTER VACANCY RATES

AREA	OFFICE	INDUSTRIAL
Scotts Valley	21.6%	6.0%
Santa Cruz	14.3%	10.5%
Watsonville	4.9%	3.7%
Mid-County	5.3%	4.0%
Countywide	12.8%	5.8%

SOURCE: Cassidy Turley

Architect Matthew Thompson of Thacher & Thompson, who started working on the project a week after the fire, said the Duecks "ended up with a real strong project" because they researched the market.

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Businesses looking for space are "not 5,000-square-foot tenants, they're 1,200-square-foot tenants," Thompson said.

Another challenge was determining how many parking spaces would be needed for this multi-tenant space. A new formula was used to determine peak

demand.

"That was a big breakthrough," Brian Dueck said. "We're one of the first to do it."

The new building, Retail 41, is painted brick red and made of steel.

"The building is fire-rated and non-combustible," Brian Dueck said. "We wanted something we wouldn't have to worry about."

Other than the steel panels, which came from EcoSteel of Park City, Utah,

"we tried to keep everything local," said Kevin Dueck.

Scotts Valley builder Nico Cianciarulo was the co-general contractor, with Phil Allegri Electric, Echo Plumbing, E&S, Provision Glass, Valley Paving and Broughton Fire Protection among the local subcontractors.

Kevin Dueck said the overall cost of the project included updating the HomeSpace building, which was spared in the fire. That building dated to the 1950s.