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Hager Pacific Acquires 16-Building Industrial Portfolio in Texas

Newport Beach, Calif. – May 6, 2013 – [Hager Pacific Properties](#), one of the largest privately owned real estate investment firms in the west, has acquired a portfolio consisting of 16 industrial properties totaling more than 800,000 square feet in McAllen and El Paso, Texas. Hager Pacific Properties purchased the distressed portfolio from CIII Capital Partners for approximately \$17 million in an all-cash transaction. Hager Pacific partnered with Ben Medetsky and Jack Polatsek of Interra Capital Group in this acquisition.

“As El Paso and McAllen are directly benefiting from the increasing strength of the Mexican economy, this acquisition fits our long-term investment strategy,” said Rob Neal, Managing Partner of Hager Pacific. “Many U.S. companies are currently modifying their supply chains to take advantage of ‘near-shoring’ as Mexico becomes a more viable alternative to China as a low-cost manufacturer.”

Of the 16 properties in Hager Pacific’s new portfolio, 11 are in McAllen, ranked seventh in CNN’s 2012 list of fastest growing cities in the U.S.

“In the last few years, during the recession, demand for small units in McAllen stayed strong,” said Jason Schirn, Chief Investment Officer of Hager Pacific. “Our price is less than half of replacement cost, so we feel very good about this acquisition.”

Just minutes from the Rio Grande, El Paso is a strategic location where warehouses are primarily used to either hold raw materials bound for the Juárez maquiladoras or store

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outbound finished products. Purchases in both El Paso and McAllen fit into Hager Pacific's ongoing belief in the United States' increasing role in international trade and domestic distribution.

Hager Pacific is now one of the largest industrial real estate owners in the El Paso and McAllen markets, and continues to pursue industrial investments priced at \$3 million and greater throughout the United States. Recently, Hager Pacific has been most active in Texas and throughout the West Coast having recently acquired properties in California's East Bay, Orange County, San Fernando Valley, San Gabriel Valley and South Bay markets.

About Hager Pacific Properties

As a real estate investment firm, [Hager Pacific Properties](#) is guided by a value-added investment philosophy implemented through the acquisition of under-performing, aged or environmentally impacted real estate. Its investments have become more valuable through repositioning, renovation or reuse of the property. The preferred buyer of challenging properties, Hager Pacific self-funds its real estate deals without outside capital. For more information visit www.hagerpacific.com.

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