



California Investor Aims for \$400Mln of Acquisitions

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By Jeff Mordock, Commercial Real Estate Direct Staff Reporter

Hager Pacific Properties plans to acquire \$400 million of assets within the next year, seeking to expand its 100-property portfolio.

The Newport Beach, Calif., real estate investment firm acquires and rehabilitates undervalued properties in Southern California. Hager funds its acquisitions through the private of capital of its three principals, David Hager, Adam Milstein, and Robert Neal, who formed the company some 20 years ago.

Although Hager's portfolio includes retail, office and apartment properties, it is mostly an industrial buyer.

The company generally operates without partners, preferring a hands-on approach to its investments. It will oversee a property's redevelopment and remain as property manager after its repositioning is complete. The company generally holds properties for the long-haul, often owning a property for more than 10 years.

Hager has already embarked on its ambitious plan. Earlier this month, the firm paid \$30 million for an 800,000-square-foot industrial property in Colton, Calif., that is leased to Stater Bros. through 2008, when the company moves to its new headquarters at the former Norton Air Force Base. Once Stater vacates, Hager plan is to redevelop the complex and would offer several vacant parcels for sale or lease.

Other acquisitions are currently in the works.

To fuel some of its activity, Hager has placed a retail property on the block and is in negotiations on a sale, which could be completed within six months. It could generate \$100 million of additional equity.

Hager will pursue properties as small as \$5 million and up to more than \$100 million.

Hager is typically a cash buyer. Its portfolio is less than 50 percent leveraged.

Its portfolio consists of 8 million sf of industrial, retail and office space as well as about 3,000 residential units.

Among the largest properties in the company's portfolio is Baldwin Hills Crenshaw Plaza mall, an 850,000 sf retail property in Los Angeles. It also owns 1291 S. Vintage Ave., a 273,000 sf industrial property in Ontario, Calif.

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