



Hager Acquires 1M-SF Gateway Industrial for \$13M

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*(To read more on the **industrial market**, [click here.](#))*

DETROIT-In a quick due diligence and underwriting turnaround of less than one month, Hager Pacific Properties of Newport Beach, CA, in a joint venture with Sterling Group of Detroit, has acquired the 1.2-million-sf Gateway Industrial Center for more than \$13 million in cash.

Located on 69 acres at 1206 Southfield Rd., at the intersection of Southfield Road and Interstate 96, the 1960-constructed property has an occupancy of nearly 50%, with current tenants including Technicolor Videocassettes, Cast North American Trucking, Detroit Newspapers and VLS, a vendor of DaimlerChrysler Corp. The annual rent quoted is \$4.50 per sf, triple net.

According to a statement issued by Robert Neal, executive vice president of Hager Pacific, Detroit tends to be an overlooked area for investment, due to recent negative publicity from the automotive industry. However, Neal notes in a release issued on the sale that "this area will experience additional growth as the domestic auto business rebounds."

The plan for the property is to move it toward stabilization through renovation and repositioning, as well as boosting lease activity. Gateway Industrial meets Hager Pacific's criteria for investment, which focuses on acquisition of under-utilized properties in competitive markets, then fixing them up and moving them toward stabilization. Sterling Group will manage the property. William Bubniak and Paul DeBono of locally based NAI Farbman represented both Hager and the local seller in the transaction.