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Cedar Closes On \$90M Portfolio for New JV

By Marita Thomas

PORT WASHINGTON, NY-Cedar Shopping Centers Inc. has closed on its previously announced acquisition of five Giant supermarket-anchored shopping centers in Eastern Pennsylvania from Harrisburg-based Caldwell Development Co. The price is [\\$90 million](#), and the centers aggregate 353,000 sf.

These are five of the nine shopping centers the locally based REIT expects to include in its recently announced joint venture with a subsidiary of Halifax, Nova Scotia-based Homburg Invest Inc. Under the JV agreement, previously announced by [GSR](#), Homburg is taking an 80% stake in the properties, and Cedar is retaining a 20% stake. It also retains management, leasing and construction responsibilities, which, in the case of these five, will be handled by its New Cumberland, PA office.

These are included in the JV at values equal to their respective purchase prices, which are not delineated separately. The centers are fully leased. Carlisle, PA-based Giant Food Stores LLC, a subsidiary of the Ahold Group, holds long-term leases at all five, and it accounts for 85% of the portfolio's total rental income.

Four of the five properties are encumbered by fixed-rate, first-mortgage financing, which aggregates approximately \$43 million. A fixed-rate, first mortgage of \$14.3 million is being placed on the remaining unencumbered property, and is expected to close within 30 days.

The acquired Pennsylvania properties are: the 106,550-sf Parkway Plaza Shopping Center in Mechanicsburg, 55,000-sf Aston Town Center in Aston, 67,850-sf Spring Meadow Shopping Center in Wyomissing, Ayr Town Center in McConnellsburg, and 68,000-sf Scott Town Center in Bloomsburg.

Leo Ullman, Cedar's CEO, tells [GlobeSt.com](#) they are "strategic properties, located in the heart of our company's portfolio concentration."

With this Caldwell portfolio, Cedar has ownership in 104 properties aggregating approximately 10.6 million sf in nine states. Of the total, approximately 39, with an aggregate of about 5.4 million sf, are in Pennsylvania.

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